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COMPARATIVE DATA REPORT SERIES I

STATE REVENUES

Eastern Region

The Council of State Governments · P.O. Box 11910, Iron Works Pike · Lexington, Kentucky 40578

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STATE REVENUES

EASTERN REGION

Finance and Taxation Program
The Council of State Governments

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FOREWORD

The Council of State Governments is pleased to issue a report on state revenues as part of its Comparative Data Report series. This series is designed to deliver information to legislators and other government officials in a timely and succinct manner in order to enhance the decision making process at the state level.

The data contained in this report includes the most recent information available on tax revenues and rates, state and local tax collections, state revenues and expenditures, and the five-year trend in state and local revenues for the period 1977 through 1981. It is presented in both a narrative and tabular format with special regional maps which graphically illustrate the information.

This document was prepared by the staff of the Council's Finance and Taxation Program with the cooperation and assistance of state and federal agencies. The role of the U.S. Bureau of the Census, along with state revenue officials, was particularly noteworthy, and very much appreciated.

Frank H. Bailey
Executive Director
Council of State Governments

TABLE OF CONTENTS

COMPARATIVE DATA REPORT ON REVENUES
IN THE EASTERN REGION

Section	Page No.
Introduction	1
Tax Revenues and Rates in 1982	2
Table 1. State Government Excises on General Sales, Motor Fuels, and Cigarettes as of September 1, 1982	3
Table 2. State Government Tax Revenue by Type of Tax	8
Table 3. Percent of State Government Tax Revenue by Type of Tax	9
Table 4. Selected State Government Sales and Gross Receipts Taxes	12
Table 5. Selected State Government License Tax Revenue	13
State and Local Tax Collections in 1981	16
Table 6. Revenue of State and Local Governments	17
Table 7. State Government General Revenue by Source	18
Revenues and Expenditures in 1981	19
Table 8. Per Capita Amounts of Financial Items for State Governments	20
Table 9. State General Revenue per $1,000 of Personal Income	21
Table 10. State General Expenditure per $1,000 of Personal Income	22
Table 11. Percent Change in Financial Items for State Governments from 1980 to 1981	24
Five Year Trends from 1977 through 1981	25
Table 12. Total State and Local Tax Collections Per Capita	26
Table 13. General Sales Tax Revenues of State and Local Government	27
Table 14. Income Tax Revenues of State and Local Government	28
Table 15. Property Tax Revenues of State and Local Government	29
Table 16. Total State and Local Tax Collections per $1,000 of Personal Income	30
Table 17. Total General Revenue Including Federal Funds	32
Table 18. Total General Revenue From Own Sources	33
Conclusion	34

Maps

Best Source of State Government Tax Revenue in 1982	5
State Government Individual Income Tax Revenue in 1982	7
State Government Sales Tax Revenue in 1982	10
State Government License Tax Revenue in 1982	14
State Government Corporation Net Income Tax Revenue in 1982	15

COMPARATIVE DATA REPORT ON REVENUES IN THE EASTERN REGION

Introduction

This report examines state and local revenues in the eastern region states listed below from 1977 through 1982, in order to provide information for decision-making. With over 42 states taking action in the past two years to increase taxes or reduce spending by cutting the budget or reducing the size of the state work force, forecasting the level of revenue is critical. The information in this report is based primarily on various publications of the Department of Commerce. Per capita figures and revenues per $1,000 of personal income are detailed in selected categories. Populations and personal incomes vary substantially in the eastern states --New York leads with 17.6 million people and $201.8 billion in personal income. Vermont has the lowest population of 511,000 and the lowest personal income of $4.5 billion. In 1981, the highest per capita income of $12,816 was in Connecticut, which ranked fifth in both population and total personal income in the eastern region.

States	Population 4/80 (thousands)	Personal Income in CY 1981	
		Amount (millions of dollars)	Per Capita (dollars)
New York	17,558	201,923	11,466
Pennsylvania	11,864	123,096	10,370
New Jersey	7,365	89,788	12,127
Massachusetts	5,737	64,248	11,128
Connecticut	3,108	40,164	12,816
Maine	1,125	9,669	8,535
Rhode Island	947	9,676	10,153
New Hampshire	921	9,350	9,994
Delaware	594	6,640	11,095
Vermont	511	4,497	8,723

Tax Revenues and Rates in 1982

Some states have increased sales taxes, cigarette taxes, or motor fuel taxes in recent years. Since 1980, one of the eastern states has increased the general sales tax, two have increased cigarette taxes, and five have increased the motor fuel tax.

The tax percentage rate on sales and gross receipts has remained relatively stable in the east, ranging from a high of 7.5 percent in Connecticut to a low of 4 percent in New York and Vermont. As of September 1, 1982, neither Delaware nor New Hampshire imposed a general sales and gross receipts tax. Vermont's rate changed to 4 percent effective in July 1982. Rates in all of the other states have not changed since 1980.

Cigarette taxes have been raised in two states since 1975. In 1982, New Jersey raised the rate to 24 cents per package, the highest rate in the east. Rhode Island has the second highest rate of 23 cents per package, which became effective in 1982. The next highest rate of 21 cents per package occurs in Connecticut and Massachusetts. Both New Hampshire and Vermont have the lowest rate of 12 cents per package.

Motor fuel taxes were changed in 1981 and 1982 by five states --Delaware, Massachusetts, New Hampshire, Rhode Island, and Vermont. The new rates vary from 10 cents per gallon in Rhode Island to 14 cents per gallon in New Hampshire.

Percent changes from 1981 to 1982 in state government tax revenues range from a low 7.7 percent increase in Pennsylvania to a high increase of 21.1 percent in New Hampshire. Even with

TABLE 1. STATE GOVERNMENT EXCISES ON GENERAL SALES, MOTOR FUEL, AND CIGARETTES AS OF SEPTEMBER 1, 1982

States	General Sales and Gross Receipts		Cigarette Taxes		Motor Fuel Taxes	
	Percentage Rate	Date of Change	Cents Per Package	Date of Change	Cents Per Gallon	Date of Change
Connecticut	7.5	7-01-80	21	9-01-71	11	6-01-76
Delaware	NA	NA	14	8-01-71	11	8-01-81
Maine	5	6-01-69	16	7-01-74	9	7-01-71
Massachusetts	5	11-12-75	21	7-01-75	10.4	7-01-82
New Hampshire	NA	NA	12	7-01-75	14	7-01-81
New Jersey	5	3-01-70	24	6-18-82	8	7-01-72
New York*	4	6-01-71	15	2-01-72	8	2-01-72
Pennsylvania	6	1-01-68	18	1-15-70	11	7-04-79
Rhode Island	6	6-01-76	23	3-15-82	10	7-01-82
Vermont	4	7-01-82	12	6-01-69	11	6-01-81

NA - Not applicable.
* - State authorizes state collection of combined state and local sales taxes in those jurisdictions which impose supplemental local sales taxes under state enabling legislation.

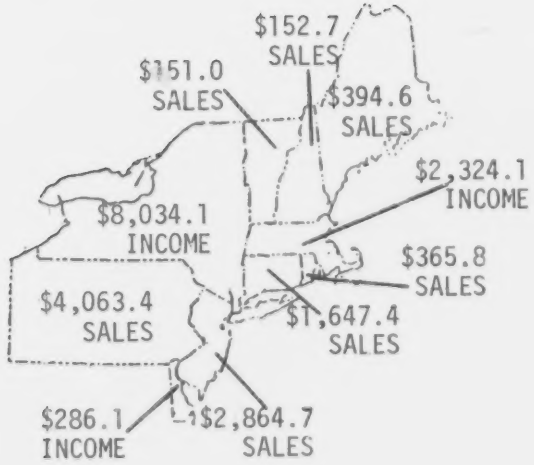
this increase, New Hampshire had the lowest per capita state government tax revenue of $353.44. The second lowest per capita state government tax revenue of $649.76 occurred in Maine. New Hampshire doubled revenues from alcoholic beverage licenses from $1 million to $2.3 million with a rate increase effective in July 1981. Motor fuel tax revenues increased from $47 million to $59.9 million when the tax rate increased from 11 to 14 cents per gallon effective July 1, 1981. Corporation net income tax revenues also increased from $57.3 million to $79.8 million with the imposition of a surtax applicable July 1, 1981.

States	State Government Tax Revenue					
	1982	1981	1980	Percent Change		Per Capita
	(Millions of Dollars)			1981/82	1980/81	1982 Dollars
Connecticut	2,340	2,072	1,840	12.9	12.6	752.74
Delaware	595	551	516	8.0	6.8	1,001.38
Maine	731	674	619	8.4	8.9	649.76
Massachusetts	4,804	4,336	3,927	10.8	10.4	837.31
New Hampshire	326	269	267	21.1	.5	353.44
New Jersey	5,577	5,029	4,265	10.9	17.9	757.26
New York	15,438	13,928	12,626	10.9	10.2	879.26
Pennsylvania	8,186	7,597	7,241	7.7	4.9	689.95
Rhode Island	675	608	551	11.0	10.4	712.56
Vermont	332	294	266	12.9	10.5	650.31

Both Connecticut and Vermont experienced increases of 12.9 percent from 1981 to 1982. Connecticut revenues from public utility taxes increased from $170.5 million to $214.9 million through a change in the collection cycle. Corporation net income tax was also affected through a change in the collection cycle and an increase of $18.6 million for a new unincorporated business tax imposed effective July 1, 1981. Improved collection and cash management practices have increased funds available for expendi-

BEST SOURCE OF STATE GOVERNMENT TAX REVENUE IN 1982
EASTERN STATES

(Millions of Dollars)



BEST TAX SOURCE
AS A PERCENT OF
STATE TAX REVENUE

70.42% - CONNECTICUT
54.20% - RHODE ISLAND
53.99% - MAINE
52.04% - NEW YORK
51.36% - NEW JERSEY
49.64% - PENNSYLVANIA
48.38% - MASSACHUSETTS
48.09% - DELAWARE
46.90% - NEW HAMPSHIRE
45.43% - VERMONT

ture in some states.

Vermont increased motor fuel tax revenues from $21.4 million to $25.4 million through a tax rate increase from 9 to 11 cents per gallon effective June 1, 1981. Motor vehicle license fees were increased in July 1981 and generated revenues of $21.3 million in 1981 and $28.0 million in 1982. License fees from insurance agents increased from $395,000 to $825,000 and reflect a 2-year renewal cycle.

Rhode Island's state government tax revenue increased by 11 percent from 1981 to 1982. A new tax on oil companies resulted in revenues of $5.7 million in 1982.

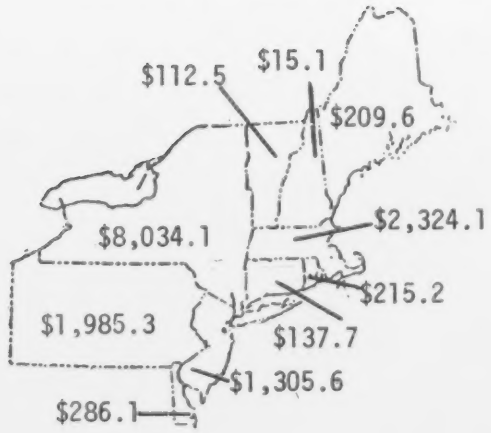
The largest state government tax revenue in 1982 was from the sales and gross receipts tax in the majority of the eastern states. However, three states derived their highest revenues from the individual income tax. In 1982, New York received $8 billion or 52.04 percent of state government tax revenue from individual income taxes. Massachusetts received $2.3 billion or 48.38 percent in individual income taxes. Delaware received $286.1 million or 48.09 percent in individual income taxes.

In 9 of the 10 eastern states, the best tax source generated under 55 percent of state tax revenue in 1982. However, in Connecticut the sales and gross receipts tax generated 70.42 percent of state government tax revenue, making the state very dependent on this one source.

Less than half of state government tax revenue came from the individual income tax in 1982, except in New York, which received 52.04 percent from this source. Seven other states ranged from

STATE GOVERNMENT INDIVIDUAL INCOME TAX REVENUE IN 1982
EASTERN STATES

(Millions of Dollars)



INCOME TAX
AS A PERCENT OF
STATE TAX REVENUE

52.04% - NEW YORK
48.38% - MASSACHUSETTS
48.09% - DELAWARE
33.86% - VERMONT
31.88% - RHODE ISLAND
28.67% - MAINE
24.25% - PENNSYLVANIA
23.41% - NEW JERSEY
5.89% - CONNECTICUT
4.63% - NEW HAMPSHIRE

TABLE 2. STATE GOVERNMENT TAX REVENUE BY TYPE OF TAX IN 1982
EASTERN STATES
(Thousands of Dollars)

States	Total	Sales and Gross Receipts	Licenses	Individual Income	Corporation Net Income	Property	Death and Gift	Severance	Documentary and Stock Transfer	Other
Connecticut	2,339,524	1,647,425	125,348	137,726	349,283	12	79,206	NA	NA	524
Delaware	594,817	86,910	166,882	286,069	36,138	NA	8,234	NA	10,583	1
Maine	730,979	394,640	58,118	209,585	36,090	14,483	17,074	NA	989	NA
Massachusetts	4,803,664	1,606,587	162,476	2,324,052	598,283	419	99,355	NA	12,492	NA
New Hampshire	325,515	152,676	55,852	15,076	79,808	7,415	9,479	45	5,164	NA
New Jersey	5,577,236	2,864,703	479,955	1,305,567	724,869	58,643	126,763	NA	16,736	NA
New York	15,438,003	5,232,121	533,706	8,034,066	1,342,051	NA	145,976	NA	150,083	NA
Pennsylvania	8,185,625	4,063,385	870,115	1,985,270	869,714	110,306	218,419	NA	68,416	NA
Rhode Island	674,792	365,753	23,825	215,156	52,524	7,262	9,069	NA	1,203	NA
Vermont	332,308	150,973	38,601	112,520	24,954	426	1,441	NA	2,893	500

NA - Not applicable.

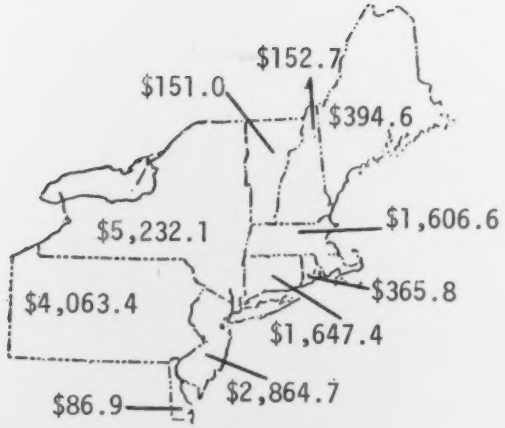
TABLE 3. PERCENT OF STATE GOVERNMENT TAX REVENUE BY TYPE OF TAX IN 1982
EASTERN STATES

States	Sales and Gross Receipts	Licenses	Individual Income	Corporation Net Income	Property	Death and Gift	Severance	Documentary and Stock Transfer	Other
Connecticut	70.42%	5.36%	5.89%	14.93%	*	3.39%	NA	NA	.02%
Delaware	14.61%	28.06%	48.09%	6.08%	NA	1.38%	NA	1.78%	*
Maine	53.99%	7.95%	28.67%	4.94%	1.98%	2.34%	NA	.14%	NA
Massachusetts	33.45%	3.38%	48.38%	12.45%	.01%	2.07%	NA	.26%	NA
New Hampshire	46.90%	17.16%	4.63%	24.52%	2.28%	2.91%	.01%	1.59%	NA
New Jersey	51.36%	8.61%	23.41%	13.00%	1.05%	2.27%	NA	.30%	NA
New York	33.89%	3.46%	52.04%	8.69%	NA	.95%	NA	.97%	NA
Pennsylvania	49.64%	10.63%	24.25%	10.62%	1.35%	2.67%	NA	.84%	NA
Rhode Island	54.20%	3.53%	31.88%	7.78%	1.08%	1.34%	NA	.18%	NA
Vermont	45.43%	11.62%	33.86%	7.51%	.13%	.43%	NA	.87%	.15%

NA - Not applicable.
* - Less than .01 percent.

STATE GOVERNMENT SALES TAX REVENUE IN 1982
EASTERN STATES

(Millions of Dollars)



SALES TAX
AS A PERCENT OF
STATE TAX REVENUE

70.42% - CONNECTICUT
54.20% - RHODE ISLAND
53.99% - MAINE
51.36% - NEW JERSEY
49.64% - PENNSYLVANIA
46.90% - NEW HAMPSHIRE
45.43% - VERMONT
33.89% - NEW YORK
33.45% - MASSACHUSETTS
14.61% - DELAWARE

23 percent to 49 percent. New Hampshire collected 4.63 percent of state government tax revenue from the individual income tax. Connecticut was the second lowest with 5.89 percent of state government tax revenue from the individual income tax.

All of the eastern states collected sales taxes on motor fuels, alcoholic beverages, tobacco products, insurance, and public utilities in 1982, except Massachusetts, where there was no public utility revenue. Of these selected taxes, six of the states derived their highest revenue from motor fuel taxes. The other four derived their highest revenue from public utility taxes. Connecticut received $214.9 million in public utility taxes. New Jersey received $715.2 million and New York had $731.2 million from this source. Rhode Island collected $53.9 million from public utility sales taxes.

In 1982, license tax revenue came from motor vehicles, motor vehicle operators, corporations in general, alcoholic beverages, and hunting and fishing. Half of the states --Connecticut, Maine, Massachusetts, Rhode Island, and Vermont-- did not collect public utility license taxes. The largest license tax revenue source was motor vehicles, except in Delaware and Pennsylvania. License tax revenues generated between 3 to 29 percent of state government tax revenue. Delaware collected 28.06 percent in license tax revenues; corporations generated the highest amount. In 1982, Massachusetts collected the lowest percentage of 3.38 from license taxes while Rhode Island collected the lowest dollar amount of $23.8 million.

Corporation net income tax revenues were a small part of the total in 1982, accounting for 4 to 15 percent of state tax revenues,

TABLE 4. SELECTED STATE GOVERNMENT SALES AND GROSS RECEIPTS TAXES IN 1982
EASTERN STATES
(Thousands of Dollars)

States	General Sales	Motor Fuels	Alcoholic Beverages	Tobacco Products	Insurance	Public Utilities
Connecticut	1,004,164	149,176	25,827	74,411	72,398	214,928
Delaware	NA	34,554	5,036	12,628	13,405	18,551
Maine	248,943	49,579	30,194	24,661	14,824	24,822
Massachusetts	917,362	269,297	85,059	145,357	122,218	NA
New Hampshire	NA	59,855	5,350	26,245	15,523	671
New Jersey	1,379,206	287,756	59,116	177,445	113,405	715,212
New York	3,196,779	443,825	147,000	339,733	197,608	731,212
Pennsylvania	2,229,436	573,298	142,157	254,922	179,770	501,536
Rhode Island	199,809	48,659	7,418	26,510	15,759	53,917
Vermont	48,440	25,385	14,450	9,986	6,964	12,855

NA - Not applicable.

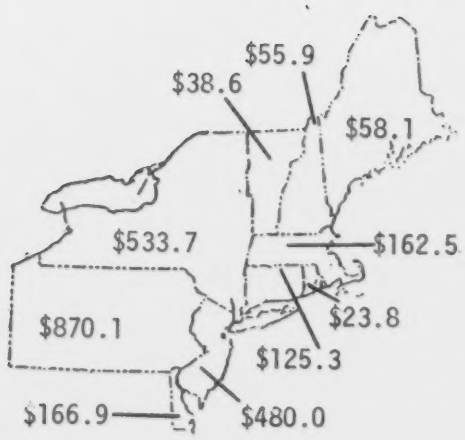
TABLE 5. SELECTED STATE GOVERNMENT LICENSE TAX REVENUE IN 1982
EASTERN STATES
(Thousands of Dollars)

States	Motor Vehicle	Motor Vehicle Operators	Corporations in General	Public Utilities	Alcoholic Beverages	Hunting and Fishing
Connecticut	77,984	13,175	4,750	NA	6,165	1,479
Delaware	23,812	876	76,591	3,156	459	463
Maine	31,691	4,558	832	NA	1,432	6,560
Massachusetts	94,674	24,422	8,985	NA	770	3,363
New Hampshire	28,964	3,869	2,278	1,632	2,290	2,930
New Jersey	252,507	21,963	144,409	101	3,193	4,349
New York	317,394	16,886	10,831	56,956	33,388	13,466
Pennsylvania	348,576	57,004	350,397	5,189	11,142	26,910
Rhode Island	17,868	*	1,915	NA	145	400
Vermont	27,984	1,500	211	NA	466	3,592

NA - Not applicable.
* - Included with motor vehicle license.

STATE GOVERNMENT LICENSE TAX REVENUE IN 1982
EASTERN STATES

(Millions of Dollars)

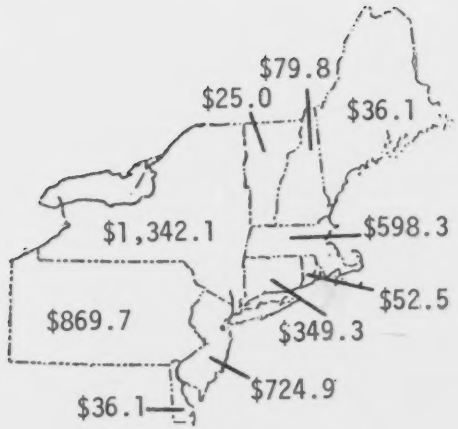


LICENSE TAX
AS A PERCENT OF
STATE TAX REVENUE

28.06% - DELAWARE
17.16% - NEW HAMPSHIRE
11.62% - VERMONT
10.63% - PENNSYLVANIA
8.61% - NEW JERSEY
7.95% - MAINE
5.36% - CONNECTICUT
3.53% - RHODE ISLAND
3.46% - NEW YORK
3.38% - MASSACHUSETTS

STATE GOVERNMENT CORPORATION NET INCOME TAX REVENUE IN 1982
EASTERN STATES

(Millions of Dollars)



CORPORATION NET TAX
AS A PERCENT OF
STATE TAX REVENUE

24.52% - NEW HAMPSHIRE
14.93% - CONNECTICUT
13.00% - NEW JERSEY
12.45% - MASSACHUSETTS
10.62% - PENNSYLVANIA
8.69% - NEW YORK
7.78% - RHODE ISLAND
7.51% - VERMONT
6.08% - DELAWARE
4.94% - MAINE

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except in New Hampshire, where corporation net income taxes generated 24.52 percent of state tax revenue. Connecticut had the second highest percentage of 14.93 percent while Maine had the lowest percentage of 4.94 percent.

State and Local Tax Collections in 1981

Responsibility for taxation and expenditure is divided differently between state and local governments in different eastern states. Revenue collection at the state level is between 44 to 77 percent. New Hampshire made the lowest state collections of 44.81 percent while Delaware had the highest state collections of 76.82 percent.

States	1981 General Revenue in Million $			State %
	Local	State	Total	of Total
Connecticut	1,971.7	2,618.6	4,590.3	57.05
Delaware	229.6	761.1	990.7	76.82
Maine	486.9	842.1	1,328.9	63.37
Massachusetts	4,132.3	5,151.0	9,283.3	55.49
New Hampshire	544.3	442.0	986.3	44.81
New Jersey	5,221.4	6,246.9	11,468.4	54.47
New York	19,418.7	16,027.3	35,446.0	45.22
Pennsylvania	6,723.1	8,861.3	15,584.4	56.86
Rhode Island	480.8	910.7	1,391.6	65.44
Vermont	248.6	425.3	673.9	63.11

General sales taxes were collected locally only in New York. All the other states collecting general sales taxes in 1981 did so at the state level. Delaware and New Hampshire did not collect general sales taxes in 1981. Property taxes were collected primarily at the local level. Only New Jersey and Pennsylvania had large state revenues. Connecticut, Delaware, and New York did not make any collections at the state level for property taxes. Income

TABLE 6. REVENUE OF STATE AND LOCAL GOVERNMENTS IN 1981
EASTERN STATES
(Millions of Dollars)

States	General Sales Taxes		Property Taxes		Income Taxes	
	Local	State	Local	State	Local	State
Connecticut	...	916.7	1,632.1	...	...	366.5
Delaware	...	...	102.2	...	10.9	294.8
Maine	...	235.7	385.9	14.6	...	215.8
Massachusetts	...	859.7	3,370.0	.5	...	2,594.0
New Hampshire	...	...	455.4	8.1	...	70.0
New Jersey	...	1,263.7	3,932.3	67.6	...	1,722.8
New York	2,449.2	2,965.3	9,266.7	...	2,026.1	8,137.3
Pennsylvania	...	2,086.2	3,046.5	98.9	1,070.0	2,706.7
Rhode Island	...	177.5	422.8	6.3	...	243.3
Vermont	...	44.8	209.3	.3	...	121.5

TABLE 7. STATE GOVERNMENT GENERAL REVENUE BY SOURCE IN 1981
EASTERN STATES
(Thousands of Dollars)

States	Total Dollars	Federal Revenue Dollars	%	Local Govt. Dollars	%	State Taxes Dollars	%	Charges & Misc. Dollars	%
Connecticut	3,449,461	826,598	24.0	4,313	0.1	2,071,885	60.1	546.665	15.8
Delaware	997,952	233,863	23.4	3,017	0.3	550,943	55.2	210,129	21.1
Maine	1,303,116	441,829	33.9	19,227	1.5	674,316	51.7	167,744	12.9
Massachusetts	7,251,518	1,888,109	26.0	212,367	2.9	4,335,648	59.8	815,394	11.2
New Hampshire	710,591	252,038	35.5	16,566	2.3	268,752	37.8	173,235	24.4
New Jersey	8,163,405	1,811,599	22.2	104,886	1.3	5,029,356	61.6	1,217,564	14.9
New York	23,538,972	6,667,345	28.3	844,328	3.6	13,918,245	59.1	2,109,054	9.0
Pennsylvania	12,002,736	3,063,824	25.5	77,594	0.6	7,597,010	63.3	1,264,308	10.5
Rhode Island	1,301,649	385,816	29.6	5,090	0.4	607,951	46.7	302,792	23.3
Vermont	687,581	259,095	37.7	3,226	0.5	294,243	42.8	131,017	19.1

taxes were collected at the state level in all the eastern states. Delaware, New York, and Pennsylvania also made income tax collections at the local level.

From 22 to 38 percent of state government general revenue is from federal funds. In 1981, New Jersey received 22.2 percent or $1.8 billion in federal funds while Vermont received 37.7 percent or $259 million in federal funds.

Local government contributions to state general revenue were under 3 percent, except in New York, which received 3.6 percent from local governments.

State taxes generated between 37 to 64 percent of state government general revenue. Pennsylvania received 63.3 percent or $7.6 billion from state taxes. New Hampshire received the lowest percentage of 37.8 percent and the lowest dollar amount of $268.8 million from state taxes in 1981.

The remaining 9 to 25 percent of state government general revenue is from charges and miscellaneous.

Revenues and Expenditures in 1981

Delaware's per capita collection of $1,280 in 1981 in state government revenue was the highest among the eastern states. Of this, $440 was paid in individual income taxes, $353 was for charges and miscellaneous, $133 was sales and gross receipts taxes, $55 was corporation net income taxes, and $14 was death and gift taxes. At the state level only, Delaware received $89.26 in taxes and $37.89 from the federal government per $1,000 of personal income earned in the state.

TABLE 8. PER CAPITA AMOUNTS OF FINANCIAL ITEMS FOR STATE GOVERNMENTS IN 1981
EASTERN STATES

States	General Revenue Own Source	Sales and Gross Receipts		Individual Income		Corporation Net Income		Motor Vehicle Taxes		Property		Death and Gift		Charges and Misc.	
	$	$	%	$	%	$	%	$	%	$	%	$	%	$	%
Connecticut	842	486	58%	37	4%	80	10%	26	3%	*	**	21	2%	175	21%
Delaware	1,280	133	10%	440	34%	55	4%	39	3%	...	...	14	1%	353	28%
Maine	748	330	44%	156	21%	34	5%	28	4%	12	2%	12	2%	149	20%
Massachusetts	897	262	29%	358	40%	93	10%	14	2%	*	**	14	2%	142	16%
New Hampshire	480	145	30%	13	3%	62	13%	24	5%	8	2%	11	2%	188	39%
New Jersey	848	348	41%	155	18%	78	9%	34	4%	9	1%	16	2%	165	19%
New York	912	274	30%	376	41%	86	9%	17	2%	...	...	8	1%	120	13%
Pennsylvania	746	309	41%	158	21%	69	9%	26	3%	8	1%	16	2%	106	14%
Rhode Island	961	331	34%	203	21%	53	6%	19	2%	6	1%	17	2%	319	33%
Vermont	831	268	32%	192	23%	44	5%	41	5%	*	**	3	**	256	31%
United States	829	322	39%	181	22%	62	7%	23	3%	13	2%	9	1%	166	20%

Note: Total includes items not listed separately.
* - Less than one dollar.
** - Less than one percent.

TABLE 9. STATE GENERAL REVENUE PER $1,000 OF PERSONAL INCOME IN 1981
EASTERN STATES

States	Grand Total*	Revenue from Federal Government	Total Taxes*	Sales or Gross Receipts Taxes	Individual Income Taxes	Charges and Miscellaneous
Connecticut	$94.48	$22.64	$56.75	$25.11	$3.23	$14.97
Delaware	$161.69	$37.89	$89.26	...	$42.44	$34.05
Maine	$145.76	$49.42	$75.43	$26.36	$19.75	$18.76
Massachusetts	$124.53	$32.42	$74.45	$14.76	$35.34	$14.00
New Hampshire	$84.30	$29.90	$31.88	...	$1.50	$20.55
New Jersey	$101.13	$22.44	$62.30	$15.65	$14.22	$15.08
New York	$130.30	$36.91	$77.05	$16.42	$36.60	$11.68
Pennsylvania	$106.96	$27.30	$67.70	$18.59	$16.80	$11.27
Rhode Island	$145.03	$42.99	$67.74	$19.78	$21.50	$33.74
Vermont	$171.34	$64.56	$73.32	$11.15	$24.56	$32.65
50-State Average	$119.78	$31.49	$69.48	$21.53	$18.97	$17.46

* - Includes amounts for categories not shown separately.

TABLE 10. STATE GENERAL EXPENDITURE PER $1,000 OF PERSONAL INCOME IN 1981
EASTERN STATES

States	Grand Total*	Total Education*	Intergovernmental Education	State Institutions of Higher Education	Public Welfare	Highways
Connecticut	$89.68	$25.50	$13.40	$8.53	$19.21	$7.20
Delaware	$151.14	$59.71	$27.56	$25.95	$17.05	$15.52
Maine	$135.99	$44.83	$26.95	$14.63	$34.52	$14.63
Massachusetts	$124.65	$30.42	$19.96	$7.94	$35.75	$7.86
New Hampshire	$92.80	$25.35	$8.88	$14.74	$17.57	$14.51
New Jersey	$104.74	$31.26	$18.92	$7.82	$21.04	$5.32
New York	$128.76	$39.70	$26.81	$6.85	$32.92	$7.48
Pennsylvania	$100.35	$33.99	$21.98	$6.93	$26.76	$9.81
Rhode Island	$144.88	$42.29	$17.25	$16.72	$37.05	$7.18
Vermont	$158.74	$54.07	$18.34	$28.80	$29.26	$15.51
50-State Average	$117.69	$44.97	$26.57	$14.61	$23.88	$11.80

* - Includes amounts for categories not shown separately.

Delaware's state general expenditure per $1,000 of personal income was $151.14, of which $59.71 was for education, $17.05 for public welfare, and $15.52 for highways.

A New Hampshire resident paid $480, the lowest per capita payment for state government tax collections in 1981. Of this, $188 was for charges and miscellaneous, $145 was sales and gross receipts taxes, $62 was corporation net income taxes, $24 was motor vehicle taxes, $13 was individual income taxes, $11 was death and gift taxes, and $8 was property taxes. At the state level only, New Hampshire received $31.88 in taxes and $29.90 from the federal government per $1,000 of personal income earned in the state.

New Hampshire's state general expenditure per $1,000 of personal income was $92.80, of which $25.35 was for education, $17.57 for public welfare, and $14.51 for highways.

From 1980 to 1981, total general revenue in the states including federal funds, increased. The lowest percentage change was an increase of 5.7 percent in New Hampshire. The highest percentage increase was 14.2 percent in New Jersey. The change in federal funds ranged from a .9 percent decrease in Massachusetts to a 13.9 percent increase in Delaware. Own source general revenue increased by 5.2 percent in Pennsylvania and by 18.1 percent in New Jersey. In all of the eastern states, tax revenues from sales and gross receipts, individual income taxes, and miscellaneous charges increased from 1980 to 1981. Increases in individual income tax revenues ranged from 10.6 percent in Massachusetts to 25.4 percent in Rhode Island. Corporation net income tax

TABLE 11. PERCENT CHANGE IN FINANCIAL ITEMS FOR STATE GOVERNMENTS FROM 1980 TO 1981
EASTERN STATES

States	Total General Revenue	Federal Funds	Own Source General Revenue	Sales and Gross Receipts	Individual Income	Corporation Net Income	Motor Vehicle Licenses	Charges and Misc.
Connecticut	10.9%	2.8%	14.1%	13.9%	16.7%	1.0%	17.6%	20.1%
Delaware	11.8%	13.9%	11.0%	7.1%	11.1%	-18.8%	1.4%	23.5%
Maine	10.6%	10.0%	9.8%	7.0%	23.8%	-13.1%	-6.3%	13.5%
Massachusetts	7.5%	-0.9%	10.7%	11.8%	10.6%	0.7%	46.5%	12.6%
New Hampshire	5.7%	4.7%	6.2%	0.6%	20.5%	-8.7%	3.6%	16.4%
New Jersey	14.2%	2.5%	18.1%	22.6%	14.2%	15.6%	-0.3%	18.8%
New York	6.7%	1.4%	9.2%	4.5%	14.4%	23.4%	-0.9%	7.6%
Pennsylvania	6.4%	10.4%	5.2%	4.4%	12.7%	-4.6%	14.0%	7.0%
Rhode Island	9.7%	8.8%	10.0%	5.5%	25.4%	-6.1%	1.3%	9.3%
Vermont	9.1%	7.0%	10.5%	7.4%	18.5%	2.2%	5.6%	10.4%
United States	10.5%	9.7%	10.7%	7.2%	13.3%	6.2%	6.7%	16.9%

revenues declined in Delaware, Maine, New Hampshire, Pennsylvania, and Rhode Island.

Five Year Trends from 1977 through 1981

Tax revenues of state and local government increased from 1977 through 1981 when measured by total tax collections per capita. The United States average increased by 32.71 percent from $813 in 1977 to $1,079 in 1981. Maine had the highest percentage change of 43.47 percent, an increase from $658 to $944. Vermont had the lowest percentage change of 21.85 percent, an increase from $810 to $987. New Hampshire had the lowest per capita tax collection in both 1977 and 1981. New York had the highest per capita tax collection in both 1977 and 1981. In 1981, New Hampshire collected $794 per capita in total state and local tax collections and New York collected $1,629 per capita.

General sales tax revenues, income tax revenues, and property tax revenues increased from 1977 through 1981. During this period, Rhode Island had the lowest sales tax revenue increase of 25.18 percent while Massachusetts had the highest sales tax revenue increase of 94.55 percent. Amounts collected in 1981 ranged from a low of $44.8 million in Vermont to a high of $5.4 billion in New York.

Increases in income tax revenues from 1977 through 1981 ranged from 39.33 percent in Vermont to 95.47 percent in Maine. In dollars, New Hampshire collected the lowest of $70 million while New York collected the highest of $10.2 billion.

Property taxes increased by 55.17 percent in Maine from 1977 through 1981 although total property taxes of $400.5 million in

TABLE 12. TOTAL STATE AND LOCAL TAX COLLECTIONS PER CAPITA
EASTERN STATES

States	1977	1978	1979	1980	1981
Connecticut	$885	$940	$1,012	$1,070	$1,198
Delaware	$829	$943	$1,035	$1,058	$1,125
Maine	$658	$757	$798	$858	$944
Massachusetts	$1,001	$1,098	$1,176	$1,243	$1,347
New Hampshire	$618	$669	$722	$739	$794
New Jersey	$931	$993	$1,067	$1,137	$1,228
New York	$1,252	$1,308	$1,369	$1,494	$1,629
Pennsylvania	$770	$861	$921	$978	$1,033
Rhode Island	$792	$848	$975	$992	$1,092
Vermont	$810	$836	$904	$900	$987
United States Average	$813	$888	$933	$986	$1,079

TABLE 13. GENERAL SALES TAX REVENUES OF STATE AND LOCAL GOVERNMENT
EASTERN STATES
(Millions of Dollars)

States	1977	1978	1979	1980	1981
Connecticut	583.5	645.3	736.1	803.0	916.7
Delaware	...	...	...	...	...
Maine	169.7	186.0	197.8	214.1	235.7
Massachusetts	441.9	520.7	718.3	746.0	859.7
New Hampshire	...	...	...	...	...
New Jersey	913.1	1,003.5	1,098.1	1,180.3	1,263.7
New York	3,918.3	4,306.6	4,529.6	5,113.5	5,414.5
Pennsylvania	1,524.5	1,753.2	1,895.5	1,995.8	2,086.2
Rhode Island	141.8	140.6	158.2	169.1	177.5
Vermont	32.5	32.8	38.3	40.8	44.8

TABLE 14. INCOME TAX REVENUES OF STATE AND LOCAL GOVERNMENT
EASTERN STATES
(Millions of Dollars)

States	1977	1978	1979	1980	1981
Connecticut	261.1	275.2	314.6	347.1	366.5
Delaware	206.7	242.3	276.2	286.8	305.8
Maine	110.4	137.5	153.8	187.8	215.8
Massachusetts	1,588.8	1,837.9	2,114.7	2,392.4	2,594.0
New Hampshire	39.6	61.5	73.2	73.3	70.0
New Jersey	1,042.4	1,176.7	1,298.0	1,502.0	1,722.8
New York	7,158.5	7,241.9	7,687.0	8,716.4	10,163.4
Pennsylvania	2,601.4	2,946.1	3,270.4	3,518.5	3,776.8
Rhode Island	144.6	155.6	209.4	207.5	243.3
Vermont	87.2	85.2	107.2	105.6	121.5

TABLE 15. PROPERTY TAX REVENUES OF STATE AND LOCAL GOVERNMENT
EASTERN STATES
(Millions of Dollars)

States	1977	1978	1979	1980	1981
Connecticut	1,282.1	1,351.5	1,421.7	1,470.5	1,632.1
Delaware	78.0	85.0	96.3	99.6	102.2
Maine	258.1	316.0	331.7	359.4	400.5
Massachusetts	2,841.5	3,013.7	3,149.7	3,183.5	3,370.5
New Hampshire	324.7	342.9	377.5	415.0	463.4
New Jersey	3,430.8	3,493.9	3,709.9	3,672.6	3,999.9
New York	8,033.8	8,364.6	8,504.4	8,791.1	9,266.7
Pennsylvania	2,370.3	2,615.9	2,695.4	2,957.9	3,145.5
Rhode Island	305.4	337.3	370.4	391.5	429.0
Vermont	159.7	172.1	177.7	192.5	209.6

TABLE 16. TOTAL STATE AND LOCAL TAX COLLECTIONS PER $1,000 OF PERSONAL INCOME
EASTERN STATES

States	1977	1978	1979	1980	1981
Connecticut	$119.97	$116.38	$114.28	$105.49	$101.97
Delaware	$117.96	$122.82	$121.27	$116.05	$108.41
Maine	$124.38	$132.89	$127.52	$125.04	$118.86
Massachusetts	$151.36	$151.09	$148.34	$139.04	$132.78
New Hampshire	$106.23	$105.12	$99.95	$92.01	$86.79
New Jersey	$126.06	$124.19	$121.76	$117.22	$112.12
New York	$176.83	$171.88	$165.60	$163.36	$158.42
Pennsylvania	$118.80	$122.54	$118.86	$115.60	$109.23
Rhode Island	$126.37	$125.24	$129.71	$118.88	$115.28
Vermont	$151.84	$144.80	$139.52	$127.29	$125.85
United States	$128.05	$127.53	$120.29	$115.74	$113.05

1981 in Maine were ranked eighth in the eastern region. New York collected the highest amount of $9.3 billion dollars in 1981 but showed the lowest percentage change from 1977 through 1981 of 15.35 percent.

Total state and local tax collections per $1,000 of personal income declined in the United States by 11.71 percent from an average of $128.05 in 1977 to $113.05 in 1981. New York had the highest collections of $176.83 in 1977 and $158.42 in 1981. New Hampshire collected $106.23 in 1977 and $86.79 in 1981 --the lowest collections in both years. From 1977 through 1981, the lowest decrease of 4.44 percent was in Maine while the largest decrease of 17.12 percent was in Vermont.

While general sales taxes and income taxes showed the greatest percent change from 1977 through 1981 when combined state and local revenues are considered, property taxes were the best revenue source except in Delaware, New York, and Pennsylvania. In these three states, income taxes generated the highest revenues in 1981.

	Property Taxes		General Sales Taxes		Income Taxes	
States	1981 $ in Millions	% Change 1977/81	1981 $ in Millions	% Change 1977/81	1981 $ in Millions	% Change 1977/81
Connecticut	1,632.1	27.30	916.7	57.10	366.5	40.37
Delaware	102.2	31.03	...	...	305.8	47.94
Maine	400.5	55.17	235.7	38.89	215.8	95.47
Massachusetts	3,370.5	18.62	859.7	94.55	2,594.0	63.27
New Hampshire	463.4	42.72	...	...	70.0	76.77
New Jersey	3,999.9	16.59	1,263.7	38.40	1,722.8	65.27
New York	9,266.7	15.35	5,414.5	38.18	10,163.4	41.98
Pennsylvania	3,145.5	32.70	2,086.2	36.84	3,776.8	45.18
Rhode Island	429.0	40.47	177.5	25.18	243.3	68.26
Vermont	209.6	31.25	44.8	37.85	121.5	39.33

TABLE 17. TOTAL GENERAL REVENUE INCLUDING FEDERAL FUNDS
EASTERN STATES
(Millions of Dollars)

States	1977	1978	1979	1980	1981
Connecticut	3,975.9	4,324.3	4,715.5	5,044.7	5,588.1
Delaware	854.9	989.2	1,078.0	1,167.6	1,302.9
Maine	1,274.2	1,433.3	1,538.1	1,680.1	1,845.7
Massachusetts	8,672.5	9,680.7	10,570.5	11,201.4	11,952.2
New Hampshire	881.3	986.7	1,103.4	1,220.9	1,306.3
New Jersey	10,177.3	10,811.4	11,753.8	12,686.5	13,790.9
New York	34,119.9	35,174.4	37,487.9	40,820.3	43,944.0
Pennsylvania	13,978.8	15,625.3	16,834.0	18,296.1	19,716.9
Rhode Island	1,254.0	1,347.0	1,523.0	1,696.4	1,855.6
Vermont	689.2	754.0	791.1	885.0	966.8
United States	285,796.5	315,960.0	343,278.4	382,321.6	423,403.7

TABLE 18. TOTAL GENERAL REVENUE FROM OWN SOURCES
EASTERN STATES
(Millions of Dollars)

States	1977	1978	1979	1980	1981
Connecticut	3,265.7	3,471.8	3,781.3	4,068.6	4,590.3
Delaware	655.0	742.4	819.5	888.4	990.7
Maine	875.1	1,022.9	1,089.4	1,194.2	1,328.9
Massachusetts	6,775.4	7,369.4	7,989.5	8,480.5	9,283.3
New Hampshire	678.9	739.9	837.7	909.3	986.3
New Jersey	8,219.8	8,779.8	9,607.0	10,407.5	11,468.4
New York	27,604.8	28,088.9	29,393.0	32,350.3	35,446.0
Pennsylvania	10,833.2	12,186.7	13,369.5	14,615.6	15,584.4
Rhode Island	918.6	988.3	1,136.0	1,265.1	1,391.6
Vermont	486.3	514.7	568.8	609.6	673.9
United States	223,221.3	246,367.6	268,114.6	299,293.0	333,109.3

Conclusion

While revenues have increased from 1977 through 1982, the increases have not kept pace with inflation and the greater need for social services brought about by the recession. Deciding on the balance between increases in taxation and decreases in expenditures for education, public welfare, and highways is difficult.

In 1981, the highest state and local revenues were derived from property taxes, except in Delaware, New York, and Pennsylvania, where the income tax generated the highest revenues.

In 1982, at the state level only, the highest revenues came from sales taxes, except in Delaware, New York, and Pennsylvania, where the income tax led.

Four states --Connecticut, New Hampshire, Rhode Island, and Vermont-- had increases in state government tax revenue from 1981 to 1982 which ranged from 11 percent to 21.1 percent. New Hampshire had the largest increase: alcoholic beverage license tax revenues doubled, the motor fuel tax was increased, and a surtax was imposed on corporation net income. In Connecticut, a change in the collection cycle for public utility taxes and corporation net income taxes generated higher revenues; a new unincorporated business tax raised $18.6 million. Vermont increased motor fuel taxes and motor vehicle license fees; license fees from insurance agents were higher due to a 2-year renewal cycle. Rhode Island received $5.7 million in 1982 from a new tax on oil companies.

Dependency on sales taxes as a major revenue source has meant increases in tax rates on sales and gross receipts, cigarettes, and motor fuels. As long as consumer spending does not decline,

these increases will generate higher revenues.

Adding to the complexity of the problem is the need to estimate federal funding, which may be a quarter of state revenue. In addition, in most of the states, about half of the general revenue is collected and spent at the local level.

Changes in collection policies and improved cash management have provided some relief in conjunction with raising taxes, cutting budgets, and reducing the size of the state work force.

• This report was prepared by Cheryl Peck, a research associate with The Council of State Governments.

★★★

COMPARATIVE DATA REPORT SERIES I

STATE REVENUES

Midwestern Region

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FOREWORD

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The data contained in this report includes the most recent information available on tax revenues and rates, state and local tax collections, state revenues and expenditures, and the five-year trend in state and local revenues for the period 1977 through 1981. It is presented in both a narrative and tabular format with special regional maps which graphically illustrate the information.

This document was prepared by the staff of the Council's Finance and Taxation Program with the cooperation and assistance of state and federal agencies. The role of the U.S. Bureau of the Census, along with state revenue officials, was particularly noteworthy, and very much appreciated.

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COMPARATIVE DATA REPORT ON REVENUES IN THE MIDWESTERN REGION

Introduction

This report examines state and local revenues in the midwestern states listed below from 1977 through 1982, in order to provide information for decision-making. With over 42 states taking action in the past two years to increase taxes or reduce spending by cutting the budget or reducing the size of the state work force, forecasting the level of revenue is critical. The information contained in this report is based primarily on various publications of the Department of Commerce. Per capita figures and revenues per $1,000 of personal income are detailed in selected categories. Populations and personal incomes vary substantially across midwestern states --Illinois for example has 11.4 million people and North Dakota only .7 million.

States	Population 4/80 (thousands)	Personal Income in CY 1981	
		Amount (millions of dollars)	Per Capita (dollars)
Illinois	11,427	132,675	11,576
Ohio	10,798	111,179	10,313
Michigan	9,262	99,314	10,790
Indiana	5,490	53,147	9,720
Missouri	4,917	47,682	9,651
Wisconsin	4,706	47,579	10,035
Minnesota	4,076	44,087	10,768
Iowa	2,914	30,362	10,474
Kansas	2,364	25,762	10,813
Nebraska	1,570	16,346	10,366
South Dakota	691	6,056	8,833
North Dakota	653	6,725	10,213

One characteristic which all the midwestern region states have in common is an increase in state government tax revenue from 1981 to 1982.

Tax Revenues and Rates in 1982

Some states have increased sales taxes, cigarette taxes, or motor fuel taxes in recent years. Since 1980, five of the 12 midwestern states have increased the general sales tax, seven have increased the cigarette tax, and seven have increased the motor fuel tax. Minnesota, Ohio, and Wisconsin have increased the sales tax to 5 percent, the highest rate in the midwest. Wisconsin also leads with a 25 cents per package cigarette tax, followed by Michigan with a 21 cents per package charge. Three states --Illinois, Kansas, and North Dakota-- have not raised any of these rates since 1979.

Percent changes from 1981 to 1982 in state government tax revenue range from 1.5 percent in Illinois to 18.2 percent in North Dakota, where a new oil extraction severance tax became effective January 1, 1981. Minnesota's revenues increased by 12.6 percent, primarily through a sales tax increase from 4 to 5 percent, effective July 1, 1981, and a motor fuel tax increase from 11 to 13 cents per gallon, effective June 1, 1981.

	State Government Tax Revenue					
	1982	1981	1980	Percent Change		Per Capita
States	(millions of dollars)			1981/82	1980/81	1982 Dollars
Illinois	7,429	7,323	7,073	1.5	3.5	650.15
Michigan	6,307	6,171	5,948	2.1	3.9	680.97
Ohio	5,819	5,241	4,767	11.0	9.9	538.94
Wisconsin	3,934	3,629	3,366	8.4	7.8	836.06
Minnesota	3,799	3,374	3,243	12.6	4.0	932.13
Indiana	3,064	2,809	2,696	9.1	4.2	558.04
Missouri	2,313	2,143	2,095	7.9	2.3	470.42
Iowa	1,997	1,836	1,747	8.8	5.1	685.30
Kansas	1,443	1,392	1,270	3.6	9.7	610.29
Nebraska	861	804	817	7.0	-1.6	548.11
North Dakota	533	451	372	18.2	21.2	815.67
South Dakota	329	298	271	10.4	10.1	475.81

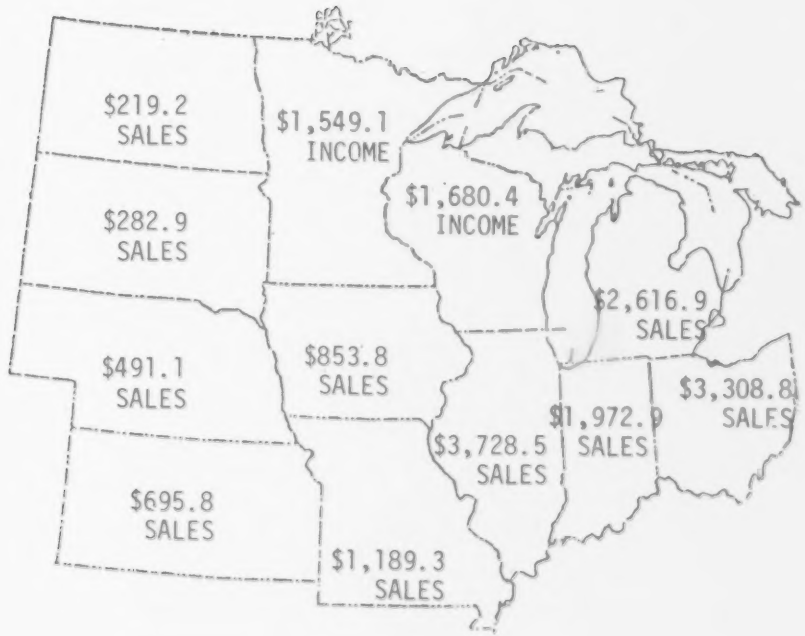
TABLE 1. STATE GOVERNMENT EXCISES ON GENERAL SALES, MOTOR FUEL, AND CIGARETTES AS OF SEPTEMBER 1, 1982

States	General Sales and Gross Receipts		Cigarette Taxes		Motor Fuel Taxes	
	Percentage Rate	Date of Change	Cents Per Package	Date of Change	Cents Per Gallon	Date of Change
Illinois*	4	10-01-69	12	8-01-69	7.5	8-01-69
Indiana	4	5-01-73	10.5	7-01-77	11.1	1-01-82
Iowa	3	10-01-67	18	7-01-81	13	9-01-81
Kansas*	3	5-01-65	11	7-01-70	8	7-01-76
Michigan	4	1-01-61	21	5-01-82	11	1-01-79
Minnesota	5	7-01-81	18	10-31-71	13	6-01-81
Missouri*	3.125	7-01-77	13	8-13-82	7	8-13-72
Nebraska*	3.5	5-01-82	18	5-01-82	13.7	4-01-82
North Dakota	3	1-01-77	12	7-01-79	8	7-01-77
Ohio*	5	11-24-81	14	11-15-81	11.7	3-01-82
South Dakota*	4	7-01-81	15	7-01-81	13	4-01-81
Wisconsin*	5	5-01-82	25	5-01-82	13	8-01-81

*State authorizes state collection of combined state and local sales taxes in those jurisdictions which impose supplemental local sales taxes under state enabling legislation.

BEST SOURCE OF STATE GOVERNMENT TAX REVENUE IN 1982
MIDWESTERN STATES

(Millions of Dollars)



BEST TAX SOURCE
AS A PERCENT OF
STATE TAX REVENUE

86.05% - SOUTH DAKOTA
64.40% - INDIANA
57.07% - NEBRASKA
56.86% - OHIO
51.42% - MISSOURI
50.19% - ILLINOIS
48.23% - KANSAS
42.76% - IOWA
42.71% - WISCONSIN
41.49% - MICHIGAN
41.16% - NORTH DAKOTA
40.77% - MINNESOTA

Two other states increased state tax revenue by more than 10 percent. Both Ohio with an 11 percent increase and South Dakota with a 10.4 percent increase raised the general sales tax, the cigarette tax, and the motor fuel tax.

The largest state government tax revenue is from the sales and gross receipts tax, except in Minnesota and Wisconsin where the individual income tax leads. South Dakota has no individual income tax and depends heavily on the sales tax, with over 86 percent of its revenue from this one source. In the other states, the largest tax source generates less than 65 percent of state tax revenue. These states depend less on one source.

All midwestern states collected sales taxes on motor fuels, alcoholic beverages, tobacco products, and insurance in 1982. Of these, motor fuel taxes generated the largest revenue, except in Illinois, where public utility service and sales taxes generated $595 million and exceeded motor fuel taxes by $364 million.

Ohio received over $494 million from public utility sales taxes, slightly less than motor fuel tax revenues of $527 million. Wisconsin raised $104 million in reverue and Minnesota $70 million from public utility taxes. Other Midwestern states raised under $4 million each while Indiana and Michigan had no public utility sales tax revenue.

The second largest revenue was from tobacco product taxes in five states --Indiana, Michigan, Minnesota, Nebraska, and Wisconsin. Insurance taxes were the second largest revenue source in Iowa, Kansas, Missouri, North Dakota, and South Dakota.

TABLE 2. STATE GOVERNMENT TAX REVENUE BY TYPE OF TAX IN 1982
MIDWESTERN STATES
(Thousands of Dollars)

States	Total	Sales and Gross Receipts	Licenses	Individual Income	Corporation Net Income	Property	Death and Gift	Severance	Documentary and Stock Transfer	Other
Illinois	7,429,268	3,728,482	469,299	2,222,143	714,196	133,356	158,245	NA	3,547	NA
Indiana	3,063,657	1,972,883	147,250	748,769	125,845	26,083	41,047	1,780	NA	NA
Iowa	1,996,971	853,848	193,276	720,883	147,115	NA	79,842	NA	2,007	NA
Kansas	1,442,737	695,803	107,825	459,822	122,549	24,170	31,555	1,013	NA	NA
Michigan	6,307,161	2,616,857	316,622	2,126,630	952,280	155,167	58,002	81,603	NA	NA
Minnesota	3,799,371	1,528,231	231,721	1,549,121	325,295	3,853	24,568	118,609	17,973	NA
Missouri	2,313,057	1,189,282	197,627	760,711	123,072	5,528	36,291	30	NA	516
Nebraska	860,527	491,082	73,623	226,560	48,498	3,025	10,360	6,010	1,369	NA
North Dakota	532,631	219,232	48,452	35,342	37,734	2,072	3,114	186,685	NA	NA
Ohio	5,819,461	3,308,846	506,838	1,243,618	548,091	158,978	49,057	4,033	NA	NA
South Dakota	328,785	282,915	27,395	NA	1,041	NA	8,135	9,299	NA	NA
Wisconsin	3,934,495	1,560,687	193,192	1,680,372	322,939	103,472	59,483	837	5,262	8,251

NA - Not applicable.

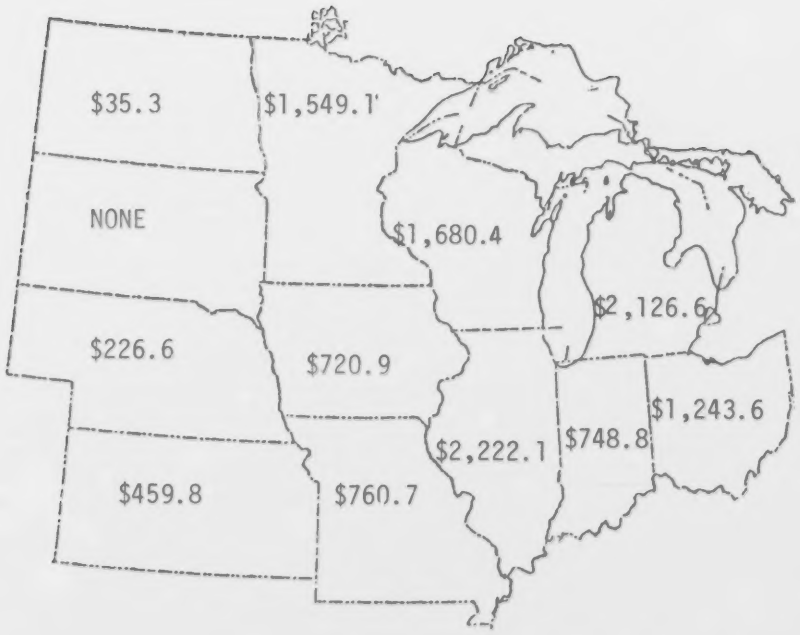
TABLE 3. PERCENT OF STATE GOVERNMENT TAX REVENUE BY TYPE OF TAX IN 1982
MIDWESTERN STATES

States	Sales and Gross Receipts	Licenses	Individual Income	Corporation Net Income	Property	Death and Gift	Severance	Documentary and Stock Transter	Other
Illinois	50.19%	6.32%	29.91%	9.61%	1.80%	2.13%	NA	.05%	NA
Indiana	64.40%	4.81%	24.44%	4.11%	.85%	1.34%	.06%	NA	NA
Iowa	42.76%	9.68%	36.10%	7.37%	NA	4.00%	NA	.10%	NA
Kansas	48.23%	7.47%	31.87%	8.49%	1.68%	2.19%	.07%	NA	NA
Michigan	41.49%	5.02%	33.72%	15.10%	2.46%	.92%	1.29%	NA	NA
Minnesota	40.22%	6.10%	40.77%	8.56%	.10%	.65%	3.12%	.47%	NA
Missouri	51.42%	8.54%	32.89%	5.32%	.24%	1.57%	*	NA	.02%
Nebraska	57.07%	8.56%	26.33%	5.64%	.35%	1.20%	.70%	.16%	NA
North Dakota	41.16%	9.10%	6.64%	7.08%	.39%	.58%	35.05%	NA	NA
Ohio	56.86%	8.71%	21.37%	9.42%	2.73%	.84%	.07%	NA	NA
South Dakota	86.05%	8.33%	NA	.32%	NA	2.47%	2.83%	NA	NA
Wisconsin	39.67%	4.91%	42.71%	8.21%	2.63%	1.51%	.02%	.13%	.21%

NA - Not applicable.
* - Less than .01%.

STATE GOVERNMENT INDIVIDUAL INCOME TAX REVENUES IN 1982
MIDWESTERN STATES

(Millions of Dollars)



INCOME TAX
AS A PERCENT OF
STATE TAX REVENUE

42.71% - WISCONSIN
40.77% - MINNESOTA
36.10% - IOWA
33.72% - MICHIGAN
32.89% - MISSOURI
31.87% - KANSAS
29.91% - ILLINOIS
26.33% - NEBRASKA
24.44% - INDIANA
21.37% - OHIO
6.64% - NORTH DAKOTA

For most of the states, individual income tax is the second largest source of revenue, generating from 6 percent to 42 percent of the state tax revenue. Wisconsin and Minnesota derive over 40 percent of total revenue from individual income taxes; four states --Iowa, Michigan, Missouri, and Kansas-- are in the 30 percent to 40 percent range; four states --Illinois, Nebraska, Indiana, and Ohio-- are in the 20 percent to 30 percent range; and North Dakota is at 6.64 percent.

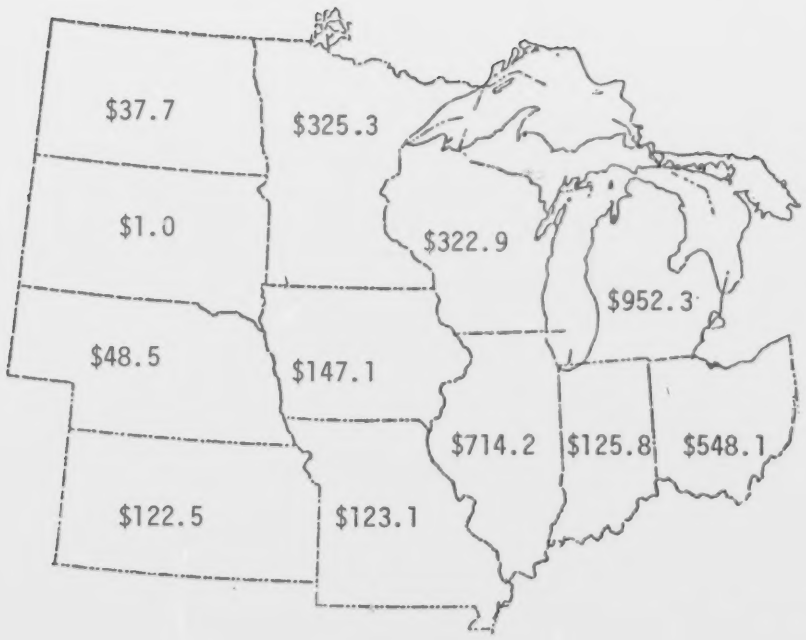
Corporation net income tax revenues were a small part of the total in 1982, accounting for .3 to 15 percent of state tax revenue with a high of 15.10 percent in Michigan and a low of .32 percent in South Dakota. In Illinois and North Dakota, this source declined in 1982 since rate decreases went into effect January 1, 1981. Only four states --Iowa, Michigan, Ohio, and Wisconsin-- showed an increase in corporation net income tax revenues in 1982.

Severance taxes are a major source of revenue only in North Dakota, which collected over $186 million in 1982--more than 35 percent of state tax revenue. Three other states derive more than 1 percent of tax revenue from severance taxes: Minnesota receives 3.12 percent; South Dakota receives 2.83 percent; Michigan receives 1.29 percent.

License tax revenues generate between 4 and 10 percent of total revenue in the midwest. All of the states collect license taxes for motor vehicles, which is the largest license tax revenue source. In addition, license taxes are charged for motor vehicle operators, corporations in general, alcoholic beverages, and hunting and fishing.

STATE GOVERNMENT CORPORATION NET INCOME TAX REVENUES IN 1982
MIDWESTERN STATES

(Millions of Dollars)

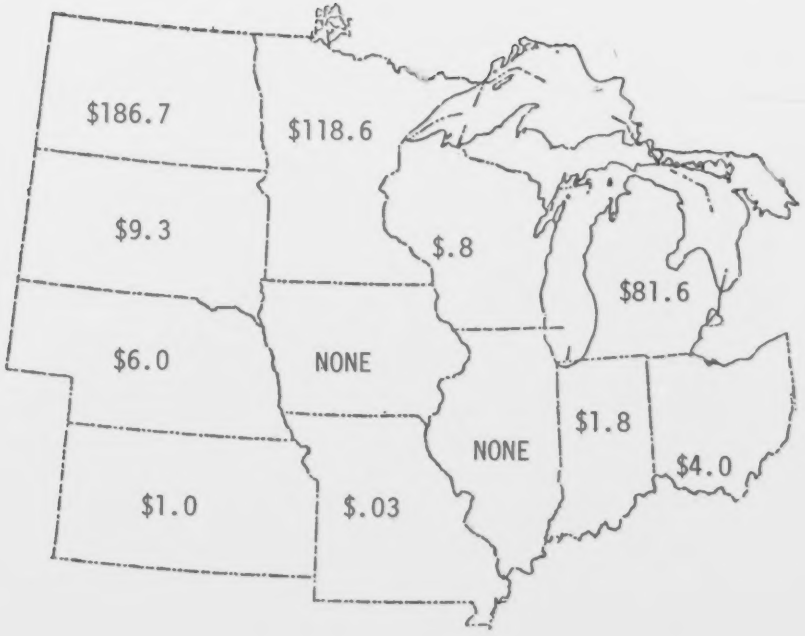


CORPORATION NET TAX
AS A PERCENT OF
STATE TAX REVENUE

15.10% - MICHIGAN
9.61% - ILLINOIS
9.42% - OHIO
8.56% - MINNESOTA
8.49% - KANSAS
8.21% - WISCONSIN
7.37% - IOWA
7.08% - NORTH DAKOTA
5.64% - NEBRASKA
5.32% - MISSOURI
4.11% - INDIANA
.32% - SOUTH DAKOTA

STATE GOVERNMENT SEVERANCE TAX REVENUES IN 1982
MIDWESTERN STATES

(Millions of Dollars)

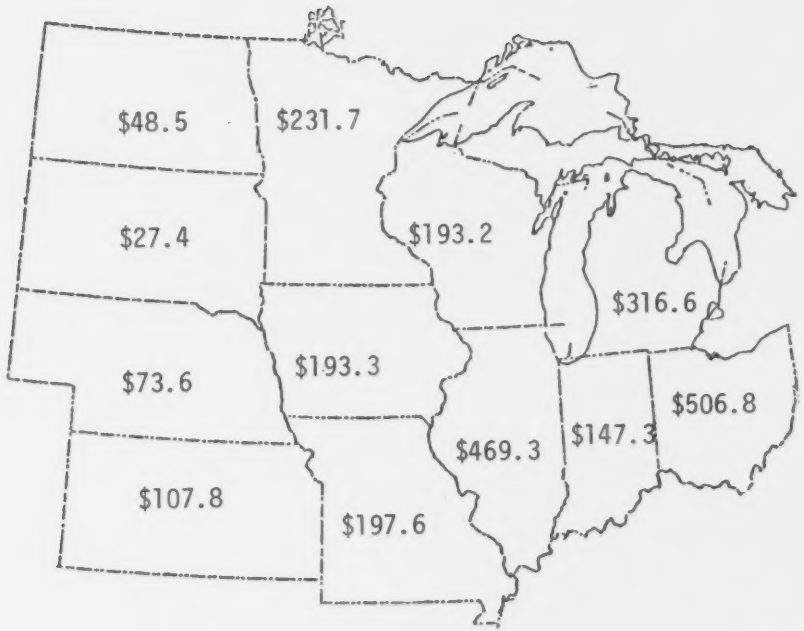


SEVERANCE TAX
AS A PERCENT OF
STATE TAX REVENUE

35.05% - NORTH DAKOTA
3.12% - MINNESOTA
2.83% - SOUTH DAKOTA
1.29% - MICHIGAN
.70% - NEBRASKA
.07% - KANSAS
.07% - OHIO
.06% - INDIANA
.02% - WISCONSIN
LESS THAN .01% - MISSOURI

STATE GOVERNMENT LICENSE TAX REVENUES IN 1982
MIDWESTERN STATES

(Millions of Dollars)



LICENSE TAX
AS A PERCENT OF
STATE TAX REVENUE

9.68% - IOWA
9.10% - NORTH DAKOTA
8.71% - OHIO
8.56% - NEBRASKA
8.54% - MISSOURI
8.33% - SOUTH DAKOTA
7.47% - KANSAS
6.32% - ILLINOIS
6.10% - MINNESOTA
5.02% - MICHIGAN
4.91% - WISCONSIN
4.81% - INDIANA

TABLE 4. SELECTED STATE GOVERNMENT LICENSE TAX REVENUE IN 1982
MIDWESTERN STATES
(Thousands of Dollars)

States	Motor Vehicle	Motor Vehicle Operators	Corporations in General	Public Utilities	Alcoholic Beverages	Hunting and Fishing
Illinois	336,907	38,850	41,433	NA	1,823	11,835
Indiana	110,192	*	3,052	280	8,794	7,785
Iowa	144,928	6,441	19,789	115	4,850	5,469
Kansas	70,530	3,811	7,644	1,011	1,096	6,510
Michigan	232,287	14,456	3,102	582	19,181	24,376
Minnesota	158,174	11,527	1,749	NA	496	16,819
Missouri	110,939	5,468	34,809	4,413	2,074	11,404
Nebraska	43,765	2,369	2,980	NA	173	5,881
North Dakota	28,625	1,022	767	285	223	2,283
Ohio	293,697	10,328	120,193	14,537	15,277	13,986
South Dakota	14,558	1,361	284	NA	120	5,414
Wisconsin	118,628	13,102	2,656	12	95	24,638

NA - Not applicable.
* - Included with motor vehicle license.

TABLE 5. SELECTED STATE GOVERNMENT SALES AND GROSS RECEIPTS TAXES IN 1982
MIDWESTERN STATES
(Thousands of Dollars)

States	General Sales	Motor Fuels	Alcoholic Beverages	Tobacco Products	Insurance	Public Utilities
Illinois	2,333,153	364,705	75,332	173,978	78,484	595,746
Indiana	1,510,453	286,066	34,387	85,405	56,467	NA
Iowa	523,397	180,037	16,399	61,070	71,410	1,264
Kansas	470,762	116,416	34,400	33,867	38,850	756
Michigan	1,843,651	421,922	96,304	135,257	96,617	NA
Minnesota	875,008	258,868	55,283	88,672	75,776	70,826
Missouri	839,003	193,579	25,022	60,979	69,868	831
Nebraska	288,517	125,715	13,873	25,431	22,866	841
North Dakota	146,935	34,711	6,021	9,724	10,215	3,988
Ohio	1,819,381	527,012	73,682	198,604	156,829	494,516
South Dakota	178,687	55,609	8,800	10,973	14,874	318
Wisconsin	961,068	285,706	47,173	114,231	47,477	104,479

NA - Not applicable.

State and Local Tax Collections in 1981

Responsibility for taxation and expenditure is divided differently between state and local governments in different midwestern states. Revenue collection at the state level is between 51 and 58 percent, except in Missouri and Nebraska, where the state collects slightly less than half of the general revenue, and in Minnesota, North Dakota, and Wisconsin, where the state collects over 60 percent.

States	1981 General Revenue in Millions $			State %
	Local	State	Total	of Total
Illinois	8,114.9	8,608.1	16,723.0	51.47
Indiana	2,688.4	3,638.5	6,327.0	57.50
Iowa	1,872.9	2,292.2	4,165.1	55.03
Kansas	1,620.4	1,731.0	3,351.4	51.65
Michigan	6,857.1	7,908.2	14,765.3	53.55
Minnesota	2,709.4	4,171.4	6,880.9	60.62
Missouri	2,617.1	2,605.9	5,223.0	49.89
Nebraska	1,194.8	1,068.2	2,263.1	47.20
North Dakota	348.7	819.0	1,167.6	70.14
Ohio	6,246.7	6,728.7	12,975.4	51.85
South Dakota	390.1	461.6	851.7	54.19
Wisconsin	2,900.8	4,380.1	7,280.9	60.15

Some sales taxes are collected locally in over half the midwestern states --Illinois, Kansas, Minnesota, Missouri, Nebraska, Ohio, and South Dakota. Property taxes are primarily local although every state except Iowa and South Dakota collects a small amount at the state level. Income taxes are collected only at the state level except in Indiana, Michigan, Missouri, and Ohio.

About 25 percent of state government general revenue is derived from federal funds although South Dakota receives over 36 percent. From .3 percent in Indiana to 2.1 percent in Michigan

TABLE 6. REVENUE OF STATE AND LOCAL GOVERNMENTS IN 1981
MIDWESTERN STATES
(Millions of Dollars)

States	General Sales Taxes		Property Taxes		Income Taxes	
	Local	State	Local	State	Local	State
Illinois	776.9	2,333.0	4,427.2	154.1	...	2,872.5
Indiana	...	1,361.3	1,663.0	29.9	52.9	797.8
Iowa	...	514.7	1,170.2	...	...	809.3
Kansas	33.1	449.2	895.4	20.6	...	565.4
Michigan	...	1,792.7	4,200.2	142.8	201.5	2,972.3
Minnesota	8.9	686.7	1,328.1	4.4	...	1,728.2
Missouri	266.8	787.2	1,087.9	5.1	122.2	798.0
Nebraska	43.7	281.2	648.7	3.1	...	255.3
North Dakota	...	129.5	186.2	2.5	...	103.5
Ohio	163.1	1,636.1	3,024.0	147.8	858.1	1,625.0
South Dakota	21.8	158.0	253.8	...	...	3.7
Wisconsin	...	901.5	1,743.1	92.2	...	1,910.5

TABLE 7. STATE GOVERNMENT GENERAL REVENUE BY SOURCE IN 1981
MIDWESTERN STATES
(Thousands of Dollars)

States	Total Dollars	Federal Revenue Dollars	%	Local Govt. Dollars	%	State Taxes Dollars	%	Charges & Misc. Dollars	%
Illinois	11,891,487	3,180,553	26.7	102,839	0.9	7,322,572	61.6	1,285,523	10.8
Indiana	4,880,168	1,228,630	25.2	13,010	0.3	2,808,811	57.6	829,717	17.0
Iowa	3,127,691	798,130	25.5	37,353	1.2	1,835,807	58.7	456,401	14.6
Kansas	2,374,160	628,009	26.5	15,167	0.6	1,392,277	58.6	338,707	14.3
Michigan	11,069,444	2,927,879	26.5	233,367	2.1	6,176,957	55.8	1,731,241	15.6
Minnesota	5,671,909	1,435,559	25.3	64,907	1.1	3,373,726	59.5	797,717	14.1
Missouri	3,793,961	1,175,687	31.0	12,417	0.3	2,142,913	56.5	462,944	12.2
Nebraska	1,488,481	392,823	26.4	27,450	1.8	803,960	54.0	264,248	17.8
North Dakota	1,080,093	243,427	22.5	17,711	1.6	450,755	41.7	368,200	34.1
Ohio	9,296,773	2,469,339	26.6	98,714	1.1	5,240,844	56.4	1,487,876	16.0
South Dakota	733,795	264,845	36.1	7,340	1.0	297,813	40.6	163,797	22.3
Wisconsin	6,036,485	1,616,972	26.8	39,429	0.7	3,629,459	60.1	750,625	12.4

comes from local government. State taxes generate between 54 to 62 percent of revenue, except in North Dakota and South Dakota, where about 40 percent of revenue is from state taxes. The remaining 10 to 23 percent of tax revenue is from charges and miscellaneous, except in North Dakota, where over 34 percent is from this source.

Revenues and Expenditures in 1981

North Dakota's per capita collection of $1,254 in 1981 in state government revenue was the highest among midwestern states. However, a large amount of this was actually severance tax collections. The second highest amount was in Minnesota --$1,023. Of this, $342 was paid in individual income tax, $315 was sales and gross receipts tax, $195 was charges and miscellaneous, $81 was corporate income tax, and $34 was motor vehicle taxes. At the state level only, Minnesota received $84.89 in taxes and $36.12 from the federal government per $1,000 of personal income earned in the state.

Minnesota's expenditures per $1,000 of personal income were $138.69, of which $51.33 was for education, $27.14 for public welfare, and $13.68 for highways.

A Missouri resident paid $529, the lowest per capita payment for state government tax collections in 1981, of which $229 was sales and gross receipts taxes, $136 was individual income taxes, and $22 was motor vehicle taxes. At the state level only, Missouri received $26.56 from the federal government and $48.40 in tax collections per $1,000 of personal income. Expenditures per

TABLE 8. PER CAPITA AMOUNTS OF FINANCIAL ITEMS FOR STATE GOVERNMENTS IN 1981
MIDWESTERN STATES

States	General Revenue Own Source	Sales and Gross Receipts		Individual Income		Corporation Net Income		Motor Vehicle Taxes		Property		Death and Gift		Charges and Misc.	
	Dollars	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Illinois	753	322	43%	178	24%	73	10%	30	4%	13	2%	12	2%	112	15%
Indiana	662	327	49%	117	18%	28	4%	19	3%	5	1%	7	1%	151	23%
Iowa	786	269	34%	231	29%	46	6%	49	6%	...	...	18	2%	156	20%
Kansas	732	282	39%	175	24%	63	9%	29	4%	8	1%	12	2%	143	20%
Michigan	853	280	33%	219	26%	101	12%	24	3%	15	2%	5	1%	186	22%
Minnesota	1,023	315	31%	342	33%	81	8%	34	3%	1	*	7	1%	195	19%
Missouri	529	229	43%	136	26%	26	5%	22	4%	1	*	5	1%	94	18%
Nebraska	680	296	44%	128	19%	34	5%	28	4%	1	*	2	*	168	25%
North Dakota	1,254	301	24%	95	8%	62	5%	38	3%	3	*	3	*	564	45%
Ohio	623	272	44%	105	17%	45	7%	30	5%	13	2%	3	*	137	22%
South Dakota	668	367	55%	...	...	5	1%	23	3%	...	...	10	1%	237	35%
Wisconsin	930	293	32%	351	38%	54	6%	25	3%	19	2%	11	1%	159	17%
United States	829	322	39%	181	22%	62	7%	23	3%	13	2%	9	1%	166	20%

Note: Total includes items not listed separately.
*Less than 1%.

TABLE 9. STATE GENERAL REVENUE PER $1,000 OF PERSONAL INCOME IN 1981
MIDWESTERN STATES

States	Grand Total*	Revenue from Federal Government	Total Taxes*	Sales or Gross Receipts Taxes	Individual Income Taxes	Charges and Miscellaneous
Illinois	$98.74	$26.41	$60.80	$19.37	$16.92	$10.67
Indiana	$99.24	$24.98	$57.12	$27.68	$13.07	$16.87
Iowa	$114.45	$29.21	$67.18	$18.84	$24.64	$16.70
Kansas	$100.40	$26.56	$58.88	$19.00	$17.55	$14.32
Michigan	$119.88	$31.71	$66.89	$19.41	$21.97	$18.75
Minnesota	$142.71	$36.12	$84.89	$17.28	$35.14	$20.07
Missouri	$85.69	$26.56	$48.40	$17.78	$15.13	$10.46
Nebraska	$101.00	$26.65	$54.55	$19.08	$13.65	$17.93
North Dakota	$188.73	$42.53	$78.76	$22.63	$10.91	$64.34
Ohio	$90.78	$24.11	$51.18	$15.98	$11.08	$14.53
South Dakota	$135.69	$48.97	$55.07	$29.22	...	$30.29
Wisconsin	$136.90	$36.67	$82.31	$20.44	$37.53	$17.02
50-State Average	$119.78	$31.49	$69.48	$21.53	$18.97	$17.46

*Includes amounts for categories not shown separately.

TABLE 10. STATE GENERAL EXPENDITURE PER $1,000 OF PERSONAL INCOME IN 1981
MIDWESTERN STATES

States	Grand Total*	Total Education*	Intergovernmental Education	State Institutions of Higher Education	Public Welfare	Highways
Illinois	$97.78	$35.79	$22.75	$10.00	$23.32	$12.01
Indiana	$101.07	$45.54	$22.84	$19.60	$13.89	$12.03
Iowa	$117.47	$51.78	$30.54	$18.52	$19.95	$16.78
Kansas	$100.52	$42.75	$23.10	$17.50	$18.04	$16.35
Michigan	$119.05	$41.52	$21.46	$16.36	$32.83	$9.62
Minnesota	$138.69	$51.33	$29.47	$19.18	$27.14	$13.68
Missouri	$90.49	$35.57	$21.44	$12.37	$18.04	$11.53
Nebraska	$101.42	$33.65	$12.95	$17.79	$14.28	$17.32
North Dakota	$164.82	$62.90	$30.41	$28.75	$19.07	$24.39
Ohio	$96.57	$37.85	$21.58	$14.93	$20.51	$9.31
South Dakota	$148.20	$41.34	$16.73	$21.68	$20.55	$27.74
Wisconsin	$138.18	$45.83	$23.42	$19.33	$34.58	$11.16
50-State Average	$117.69	$44.97	$26.57	$14.61	$23.88	$11.80

*Includes amounts for categories not shown separately.

TABLE 11. PERCENT CHANGE IN FINANCIAL ITEMS FOR STATE GOVERNMENTS FROM 1980 TO 1981
MIDWESTERN STATES

States	Total General Revenue	Federal Funds	Own Source General Revenue	Sales and Gross Receipts	Individual Income	Corporation Net Income	Motor Vehicle Licenses	Charges and Misc.
Illinois	7.7%	15.1%	5.3%	0.2%	7.2%	4.6%	-0.4%	16.6%
Indiana	12.9%	39.2%	6.3%	2.0%	15.5%	-13.6%	9.4%	13.9%
Iowa	5.7%	7.3%	5.3%	0.9%	11.8%	-1.9%	8.6%	6.3%
Kansas	9.8%	8.8%	10.0%	5.3%	23.5%	0.6%	-0.3%	11.3%
Michigan	7.7%	7.3%	6.0%	1.7%	5.8%	3.6%	-9.7%	14.4%
Minnesota	8.0%	17.4%	4.8%	5.8%	10.6%	-13.0%	5.4%	2.8%
Missouri	3.4%	1.8%	3.6%	-1.7%	11.0%	-5.0%	1.4%	10.3%
Nebraska	4.9%	8.8%	3.7%	4.2%	-14.7%	-6.0%	4.3%	23.9%
North Dakota	19.1%	5.3%	24.0%	2.5%	17.0%	12.9%	-1.8%	27.6%
Ohio	13.0%	14.5%	12.2%	10.6%	9.1%	-5.2%	56.2%	21.1%
South Dakota	4.3%	1.1%	6.4%	9.1%	...	11.8%	3.2%	0.4%
Wisconsin	7.9%	8.4%	7.8%	5.7%	15.7%	-17.9%	21.8%	7.7%
United States	10.5%	9.7%	10.7%	7.2%	10.3%	6.2%	6.7%	16.9%

$1,000 of personal income at the state level were $90.49, of which $35.57 was for education, $18.04 for public welfare, and $11.53 for highways. Tables 8, 9, and 10 present this data for all of the states in the midwestern region.

From 1980 to 1981, revenues from sales and gross receipt taxes increased from .2 percent in Illinois to 10.6 percent in Ohio. Only in Missouri was there a decline of 1.7 percent. Both own source general revenue, and federal funds increased in all the midwestern states from 1980 to 1981. Individual income tax revenues increased except in Nebraska. Seven states --Indiana, Iowa, Minnesota, Missouri, Nebraska, Ohio, and Wisconsin-- show a decrease in corporation net income taxes from 1980 to 1981.

Five Year Trends from 1977 through 1981

Tax revenues of state and local government from 1977 through 1981 increased when measured by total tax collections per capita. The United States average increased by 32.71 percent from $813 in 1977 to $1,079 in 1981. North Dakota had the largest percent change of 44.64 from $681 to $985 in per capita tax collections. Missouri had the lowest per capita tax collection in both 1977 and 1981 while Minnesota had the highest in each of these years. In 1981, Missouri collected $789 and Minnesota $1,169.

General sales tax, income tax, and property tax have also increased from 1977 through 1981. South Dakota's general sales tax has increased by a high of 61.40 percent while North Dakota had the lowest increase of 17.51 percent. Amounts collected in 1981 ranged from a low in North Dakota of $129.5 million to a

TABLE 12. TOTAL STATE AND LOCAL TAX COLLECTIONS PER CAPITA
MIDWESTERN STATES

States	1977	1978	1979	1980	1981
Illinois	$860	$916	$998	$1,083	$1,164
Indiana	$652	$706	$749	$743	$826
Iowa	$748	$794	$893	$967	$1,039
Kansas	$727	$797	$878	$926	$1,003
Michigan	$878	$958	$1,049	$1,075	$1,153
Minnesota	$906	$1,001	$1,096	$1,124	$1,169
Missouri	$608	$653	$725	$759	$789
Nebraska	$773	$814	$895	$963	$973
North Dakota	$681	$721	$757	$846	$985
Ohio	$640	$700	$768	$810	$872
South Dakota	$629	$682	$740	$788	$849
Wisconsin	$870	$970	$1,021	$1,061	$1,147
United States Average	$813	$888	$933	$986	$1,079

TABLE 13. GENERAL SALES TAX REVENUES OF STATE AND LOCAL GOVERNMENT
MIDWESTERN STATES
(Millions of Dollars)

States	1977	1978	1979	1980	1981
Illinois	2,240.8	2,454.2	2,672.9	2,912.0	3,109.9
Indiana	1,045.6	1,120.7	1,310.3	1,331.6	1,361.3
Iowa	346.8	376.2	405.7	502.1	514.7
Kansas	339.3	364.8	420.0	443.7	482.3
Michigan	1,407.0	1,586.9	1,702.7	1,706.7	1,792.7
Minnesota	469.6	540.8	613.0	653.7	695.6
Missouri	728.2	847.7	978.8	1,024.1	1,054.0
Nebraska	221.1	265.8	284.8	316.8	324.9
North Dakota	110.2	97.5	109.0	124.0	129.5
Ohio	1,203.3	1,420.1	1,568.1	1,595.9	1,799.2
South Dakota	111.4	128.0	146.8	166.2	179.8
Wisconsin	667.9	762.2	819.7	853.9	901.5

TABLE 14. INCOME TAX REVENUES OF STATE AND LOCAL GOVERNMENT
MIDWESTERN STATES
(Millions of Dollars)

States	1977	1978	1979	1980	1981
Illinois	1,797.8	1,969.8	2,232.3	2,698.6	2,872.5
Indiana	600.6	771.0	770.6	789.6	850.7
Iowa	539.3	599.2	689.0	740.9	809.3
Kansas	331.9	369.7	438.9	485.6	565.4
Michigan	2,442.5	2,824.1	3,155.9	3,040.0	3,173.9
Minnesota	1,215.0	1,367.4	1,612.7	1,643.9	1,728.2
Missouri	581.4	643.4	766.9	849.7	920.2
Nebraska	212.5	220.5	258.5	293.4	255.3
North Dakota	76.8	90.1	78.1	89.7	103.5
Ohio	1,483.9	1,863.1	2,076.1	2,361.5	2,483.2
South Dakota	2.5	3.0	2.9	3.3	3.7
Wisconsin	1,395.7	1,609.7	1,702.8	1,741.8	1,910.5

TABLE 15. PROPERTY TAX REVENUES OF STATE AND LOCAL GOVERNMENT
MIDWESTERN STATES
(Millions of Dollars)

States	1977	1978	1979	1980	1981
Illinois	3,576.5	3,658.3	3,925.0	4,191.5	4,581.3
Indiana	1,293.6	1,315.1	1,333.0	1,348.9	1,692.9
Iowa	837.2	878.6	983.5	1,048.3	1,170.2
Kansas	696.0	785.3	846.7	863.8	916.0
Michigan	3,029.8	3,138.8	3,460.6	3,832.5	4,343.0
Minnesota	1,077.3	1,205.8	1,263.0	1,321.7	1,332.5
Missouri	927.1	948.1	998.8	1,058.1	1,093.1
Nebraska	557.0	547.2	612.1	629.0	651.8
North Dakota	146.1	156.4	168.9	175.6	188.7
Ohio	2,668.6	2,652.5	2,792.6	3,034.3	3,171.8
South Dakota	211.4	222.4	236.1	242.0	253.8
Wisconsin	1,389.5	1,525.2	1,632.9	1,696.3	1,835.3

TABLE 16. TOTAL STATE AND LOCAL TAX COLLECTIONS PER $1,000 OF PERSONAL INCOME
MIDWESTERN STATES

States	1977	1978	1979	1980	1981
Illinois	$117.26	$118.03	$111.99	$112.47	$110.48
Indiana	$105.41	$102.95	$97.67	$88.23	$92.32
Iowa	$120.25	$116.17	$111.95	$110.69	$110.82
Kansas	$113.24	$112.88	$112.43	$100.05	$100.30
Michigan	$130.39	$126.68	$123.98	$115.01	$115.68
Minnesota	$146.92	$141.64	$140.40	$127.41	$119.95
Missouri	$102.60	$99.36	$99.41	$93.00	$87.72
Nebraska	$127.84	$121.47	$118.79	$110.65	$103.74
North Dakota	$118.36	$116.30	$106.37	$102.25	$112.40
Ohio	$100.04	$99.33	$97.67	$93.54	$92.03
South Dakota	$123.47	$114.80	$107.75	$105.92	$108.55
Wisconsin	$143.61	$141.62	$136.80	$124.71	$122.44
United States	$128.05	$127.53	$120.29	$115.74	$113.05

high of $3,109.9 million in Illinois. Increased income tax revenues from 1977 through 1981 ranged from 20.14 percent in Nebraska to 70.35 percent in Kansas. Nebraska also had the lowest percent change of 17.01 in property tax revenues while the highest was 43.34 percent in Michigan.

Total tax collections from 1977 through 1981 per $1,000 of personal income declined. The United States average decreased from $128.05 to $113.05 by 11.71 percent. Wisconsin had the highest collections in both 1977 and 1981 while the lowest collections were in Ohio in 1977 and in Missouri in 1981. North Dakota had the lowest decline of 5.04 percent while Nebraska was highest at 18.85 percent.

In most of the states, while general sales taxes and income taxes showed the greatest percent change from 1977 through 1981 when combined state and local revenues are considered, property taxes were the largest revenue source, although the percent change from 1977 through 1981 was less.

	Property Taxes		General Sales Taxes		Income Taxes	
States	1981 $ in Millions	% Change 1977/81	1981 $ in Millions	% Change 1977/81	1981 $ in Millions	% Change 1977/81
Illinois	4,581.3	28.09	3,109.9	38.78	2,872.5	59.77
Michigan	4,343.0	43.34	1,792.7	27.41	3,173.9	29.94
Ohio	3,171.8	18.85	1,799.2	49.52	2,483.2	67.34
Wisconsin	1,835.3	32.08	901.5	34.97	1,910.5	36.88
Indiana	1,692.9	30.86	1,361.3	30.19	850.7	41.64
Minnesota	1,332.5	23.68	695.6	48.12	1,728.2	42.23
Iowa	1,170.2	39.77	514.7	48.41	809.3	50.06
Missouri	1,093.1	17.90	1,054.0	44.74	920.2	58.27
Kansas	916.0	31.60	482.3	42.14	565.4	70.35
Nebraska	651.8	17.01	324.9	46.94	255.3	20.14
South Dakota	253.8	20.05	179.8	61.40	3.7	48.00
North Dakota	188.7	29.15	129.5	17.51	103.5	34.76

TABLE 17. TOTAL GENERAL REVENUE INCLUDING FEDERAL FUNDS
MIDWESTERN STATES
(Millions of Dollars)

States	1977	1978	1979	1980	1981
Illinois	14,360.5	15,298.9	17,085.7	19,347.3	21,395.0
Indiana	5,525.7	6,095.5	6,653.2	6,875.5	7,953.5
Iowa	3,559.9	3,842.5	4,244.3	4,746.7	5,159.9
Kansas	2,775.2	3,071.0	3,441.0	3,735.9	4,138.1
Michigan	13,184.9	14,481.8	16,110.0	17,483.6	18,859.1
Minnesota	5,951.6	6,593.3	7,327.6	8,035.6	8,714.8
Missouri	4,870.3	5,329.5	5,906.0	6,588.1	6,903.7
Nebraska	1,977.8	2,155.1	2,405.0	2,626.7	2,775.8
North Dakota	923.5	985.9	1,048.7	1,249.4	1,456.9
Ohio	11,290.1	12,509.0	13,902.4	14,959.3	16,461.4
South Dakota	820.4	905.1	981.5	1,106.7	1,180.0
Wisconsin	6,327.4	7,144.9	7,926.7	8,510.5	9,266.6
United States	285,796.5	315,960.0	343,278.4	382,321.6	423,403.7

TABLE 18. TOTAL GENERAL REVENUE FROM OWN SOURCES
MIDWESTERN STATES
(Millions of Dollars)

States	1977	1978	1979	1980	1981
Illinois	11,544.4	12,394.2	13,620.9	15,312.4	16,723.0
Indiana	4,521.8	4,959.2	5,395.6	5,661.8	6,327.0
Iowa	2,843.0	3,052.6	3,445.1	3,831.1	4,165.1
Kansas	2,229.0	2,508.1	2,800.4	3,000.5	3,351.4
Michigan	10,343.9	11,350.5	12,710.3	13,586.3	14,765.3
Minnesota	4,715.3	5,289.4	5,900.3	6,450.6	6,880.9
Missouri	3,703.5	4,004.4	4,528.8	4,932.5	5,223.0
Nebraska	1,617.9	1,744.0	1,967.2	2,154.7	2,263.1
North Dakota	684.6	739.7	806.2	970.0	1,167.6
Ohio	9,029.2	9,914.5	10,940.7	11,878.1	12,975.4
South Dakota	601.5	654.3	713.0	790.9	851.7
Wisconsin	5,077.2	5,711.6	6,322.8	6,727.5	7,280.9
United States	223,221.3	246,367.6	268,114.6	299,293.0	333,109.3

Conclusion

While revenues have increased from 1977 through 1982, the increases have not kept pace with inflation and the greater need for social services brought about by the recession. Deciding on the balance between increases in taxation and decreases in expenditures for education, public welfare, and highways is difficult.

Property taxes generated the highest state and local revenues in 1981, except in Wisconsin and Minnesota, where income taxes brought in more money than property taxes. In 1982, at the state level only, the highest revenue came from sales taxes, except in Wisconsin and Minnesota where income taxes led.

Four states --North Dakota, Minnesota, Ohio, and South Dakota-- had an increase in state government tax revenue of over 10 percent from 1981 to 1982. North Dakota imposed a new oil extraction severance tax or January 1, 1981. Both Ohio and South Dakota raised the tax rates of sales, cigarettes, and motor fuels. Minnesota raised sales and motor fuel taxes.

Dependency on sales taxes as a major revenue source has meant increases in tax rates on sales and gross receipts, cigarettes, and motor fuels. As long as consumer spending does not decline, these increases will generate higher revenues.

Adding to the complexity of the problem is the need to estimate federal funding, which may be a quarter of state revenue. In addition, in most of the states, about half of the general revenue is collected and spent at the local level.

Changes in collection policies and improved cash management have provided some relief in conjunction with raising taxes, cutting budgets, and reducing the size of the state work force.

• This report was prepared by Cheryl Peck, a research associate with The Council of State Governments.

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The Council of State Governments

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COMPARATIVE DATA REPORT SERIES I

STATE REVENUES

Western Region

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STATE REVENUES

WESTERN REGION

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FOREWORD

The Council of State Governments is pleased to issue a report on state revenues as part of its Comparative Data Report series. This series is designed to deliver information to legislators and other government officials in a timely and succinct manner in order to enhance the decision making process at the state level.

The data contained in this report includes the most recent information available on tax revenues and rates, state and local tax collections, state revenues and expenditures, and the five-year trend in state and local revenues for the period 1977 through 1981. It is presented in both a narrative and tabular format with special regional maps which graphically illustrate the information.

This document was prepared by the staff of the Council's Finance and Taxation Program with the cooperation and assistance of state and federal agencies. The role of the U.S. Bureau of the Census, along with state revenue officials, was particularly noteworthy, and very much appreciated.

Frank H. Bailey
Executive Director
Council of State Governments

TABLE OF CONTENTS

COMPARATIVE DATA REPORT ON REVENUES
IN THE WESTERN REGION

Section	Page No.
Introduction	1
Tax Revenues and Rates in 1982	2
Table 1. State Government Excises on General Sales, Motor Fuels, and Cigarettes as of September 1, 1982	3
Table 2. State Government Tax Revenue by Type of Tax	6
Table 3. Percent of State Government Tax Revenue by Type of Tax	7
Table 4. Selected State Government Sales and Gross Receipts Taxes	11
Table 5. Selected State Government License Tax Revenue	15
State and Local Tax Collections in 1981	17
Table 6. Revenue of State and Local Governments	18
Table 7. State Government General Revenue by Source	19
Revenues and Expenditures in 1981	20
Table 8. Per Capita Amounts of Financial Items for State Governments	21
Table 9. State General Revenue per $1,000 of Personal Income	22
Table 10. State General Expenditure per $1,000 of Personal Income	23
Table 11. Percent Change in Financial Items for State Governments from 1980 to 1981	25
Five Year Trends from 1977 through 1981	26
Table 12. Total State and Local Tax Collections Per Capita	27
Table 13. General Sales Tax Revenues of State and Local Government	28
Table 14. Income Tax Revenues of State and Local Government	29
Table 15. Property Tax Revenues of State and Local Government	30
Table 16. Total State and Local Tax Collection per $1,000 of Personal Income	31
Table 17. Total General Revenue Including Federal Funds	32
Table 18. Total General Revenue From Own Sources	33
Conclusion	34

Maps

Best Source of State Government Tax Revenues in 1982	5
State Government Individual Income Tax Revenues in 1982	8
State Government Sales Tax Revenues in 1982	10
State Government Corporation Net Income Tax Revenues in 1982	12
State Government License Tax Revenues in 1982	14
State Government Severance Tax Revenues in 1982	16

COMPARATIVE DATA REPORT ON REVENUES
IN THE WESTERN REGION

Introduction

This report examines state and local revenues in the western region states listed below from 1977 through 1982, in order to provide information for decision-making. With over 42 states taking action in the past two years to increase taxes or reduce spending by cutting the budget or reducing the size of the state work force, forecasting the level of revenue is critical. The information in this report is based primarily on various publications of the Department of Commerce. Per capita figures and revenues per $1,000 of personal income are detailed in selected categories. Populations and personal incomes vary substantially in the western states --California leads with 23.7 million people and $288.5 billion in personal income. Alaska has the lowest population of 400,000 and the lowest total personal income of $5.7 billion, although the per capita income is highest at $13,763.

States	Population 4/80 (thousands)	Personal Income in CY 1981 Amount (millions of dollars)	Per Capita (dollars)
California	23,668	288,481	11,923
Washington	4,132	47,557	11,277
Colorado	2,890	33,256	11,215
Arizona	2,718	27,256	9,754
Oregon	2,633	26,526	10,008
Utah	1,461	12,619	8,313
New Mexico	1,303	11,324	8,529
Hawaii	965	10,823	11,036
Idaho	944	8,574	8,937
Nevada	800	9,782	11,576
Montana	787	7,458	9,410
Wyoming	470	5,738	11,665
Alaska	402	5,667	13,763

Tax Revenues and Rates in 1982

Some states have increased sales taxes, cigarette taxes, or motor fuel taxes in recent years. Since 1980, three of the western states increased the general sales tax, three have increased the cigarette tax, and eight have increased the motor fuel tax.

The tax percentage rate on sales and gross receipts in the west has remained relatively stable. Since 1974, only three states have raised this rate. In 1981, Nevada raised the rate to 5.75 percent and New Mexico raised the rate to 3.5 percent. In 1982, the Washington rate became 5.4 percent. Three states --Alaska, Montana, and Oregon-- did not impose these taxes as of September 1, 1982.

Cigarette taxes were raised in three states since 1978. In 1982, Washington raised the rate to 23 cents per package, the highest rate in the west. Oregon has the second highest rate of 19 cents per package which became effective in 1982. Utah also changed its rate to 12 cents per package in 1982. In Hawaii, the rate has been set at 40 percent of the wholesale price since 1965. As prices increase, this mechanism generates automatic revenue increases without the necessity of considering tax increases each year.

Motor fuel taxes were changed in 1981 and 1982 by eight states --Arizona, Colorado, Idaho, Nevada, New Mexico, Oregon, Utah, and Washington. Five states --Alaska, California, Hawaii, Montana, and Wyoming-- have not raised any of these rates since 1979.

Percent changes from 1981 to 1982 in state government tax revenues range from a decrease of 3.5 percent in Oregon, where individual and corporate income tax revenues and severance tax revenues declined,

TABLE 1. STATE GOVERNMENT EXCISES ON GENERAL SALES, MOTOR FUEL, AND CIGARETTES AS OF SEPTEMBER 1, 1982

States	General Sales and Gross Receipts		Cigarette Taxes		Motor Fuel Taxes	
	Percentage Rate	Date of Change	Cents Per Package	Date of Change	Cents Per Gallon	Date of Change
Alaska	NA	NA	8	7-01-61	8	7-01-61
Arizona*	4	7-01-74	13	7-01-74	10	7-01-82
California*	4.75	3-31-74	10	9-01-67	7	9-01-69
Colorado*	3	6-01-65	10	7-01-78	9	7-02-81
Hawaii	4	7-01-65	**	7-01-65	8.5	5-01-75
Idaho	3	7-01-65	9.1	7-01-72	12.5	4-01-82
Montana	NA	NA	12	3-05-71	9	7-01-79
Nevada	5.75	5-01-81	10	7-01-69	10.25	7-01-82
New Mexico*	3.5	7-01-81	12	7-01-68	10	7-01-82
Oregon	NA	NA	19	6-01-82	8	1-01-82
Utah*	4	4-01-69	12	7-01-82	11	7-01-81
Washington	5.4	5-01-82	23	8-01-82	12	1-01-82
Wyoming*	3	7-01-67	8	7-01-67	8	3-01-76

NA - Not applicable.
* - State authorizes state collection of combined state and local sales taxes in those jurisdictions which impose supplemental local sales taxes under state enabling legislation.
** - Rate is 40 percent of wholesale price.

to an increase of 62.6 percent in Wyoming where the mineral excise severance tax increased on January 1, 1981, and the collection cycle was changed from annual to quarterly in 1982. Improved collection and cash management practices have increased funds available for expenditure in some states. Nevada raised various tax rates in 1981, including the general sales and gross receipts tax which went from 3 to 5.75 percent. The county-city relief tax also became a state tax effective May 1, 1981.

States	State Government Tax Revenue					
	1982	1981	1980	Percent Change		Per Capita
	(millions of dollars)			1981/82	1980/81	1982 Dollars
Alaska	2,539	2,317	1,438	9.6	61.2	6,316.40
Arizona	1,856	1,786	1,716	3.9	4.1	682.86
California	21,819	20,505	19,367	6.4	5.9	921.86
Colorado	1,690	1,446	1,491	16.9	-3.0	584.79
Hawaii	1,066	1,088	998	-2.0	9.0	1,104.90
Idaho	579	537	490	7.8	9.5	612.94
Montana	529	467	436	13.4	7.1	672.36
Nevada	745	515	477	44.7	8.1	931.83
New Mexico	1,228	1,179	926	4.1	27.3	942.29
Oregon	1,552	1,608	1,455	-3.5	10.5	589.56
Utah	951	849	786	12.0	8.1	650.83
Washington	3,528	3,126	2,917	12.9	7.1	853.91
Wyoming	763	469	388	62.6	20.9	1,622.41

Four other states --Colorado, Montana, Utah, and Washington-- experienced increases in excess of 10 percent from 1981 to 1982. These increases appear in widespread revenue categories except in Montana where over $31 million is from an increase in the oil production severance tax rate effective April 1, 1981.

The largest source of state government tax revenue in 1982 was the sales and gross receipts tax in the majority of the western states. However, three states derive their highest revenues from severance taxes. Alaska depends on severance taxes for 61.89 percent

BEST SOURCE OF STATE GOVERNMENT TAX REVENUES IN 1982
WESTERN STATES

(Millions of Dollars)

BEST TAX SOURCE
AS A PERCENT OF
STATE TAX REVENUE

85.53% - NEVADA
72.16% - WASHINGTON
67.20% - HAWAII
62.38% - OREGON
61.89% - ALASKA
56.90% - NEW MEXICO
55.86% - ARIZONA
53.98% - UTAH
51.68% - COLORADO
51.06% - WYOMING
44.33% - CALIFORNIA
41.40% - IDAHO
28.23% - MONTANA

TABLE 2. STATE GOVERNMENT TAX REVENUE BY TYPE OF TAX IN 1982
WESTERN STATES
(Thousands of Dollars)

States	Total	Sales and Gross Receipts	Licenses	Individual Income	Corporation Net Income	Property	Death and Gift	Severance	Documentary and Stock Transfer	Other
Alaska	2,539,193	65,216	54,217	1,488	703,663	142,719	335	1,571,553	NA	2
Arizona	1,856,009	1,036,711	123,698	438,985	114,759	129,897	11,959	NA	NA	NA
California	21,818,694	9,672,042	837,026	7,467,709	2,643,946	708,395	461,665	27,911	NA	NA
Colorado	1,690,034	873,367	105,900	548,944	91,400	4,967	12,979	49,184	NA	3,293
Hawaii	1,066,225	716,535	16,929	283,000	43,202	NA	5,106	NA	1,453	NA
Idaho	578,613	239,573	67,160	220,073	45,602	207	3,481	2,517	NA	NA
Montana	529,144	102,803	46,155	143,804	44,630	33,980	7,680	149,361	NA	731
Nevada	745,460	637,592	84,173	NA	NA	23,695	NA	NA	NA	NA
New Mexico	1,227,798	698,678	60,804	15,518	60,265	11,029	3,702	377,802	NA	NA
Oregon	1,552,313	190,943	175,237	968,264	124,171	147	42,216	50,480	855	NA
Utah	950,869	513,248	38,531	331,145	40,894	242	4,514	22,295	NA	NA
Washington	3,528,362	2,546,054	198,870	NA	NA	615,966	56,191	46,123	65,158	NA
Wyoming	762,533	280,310	54,502	NA	NA	36,047	2,313	389,361	NA	NA

NA - Not applicable.

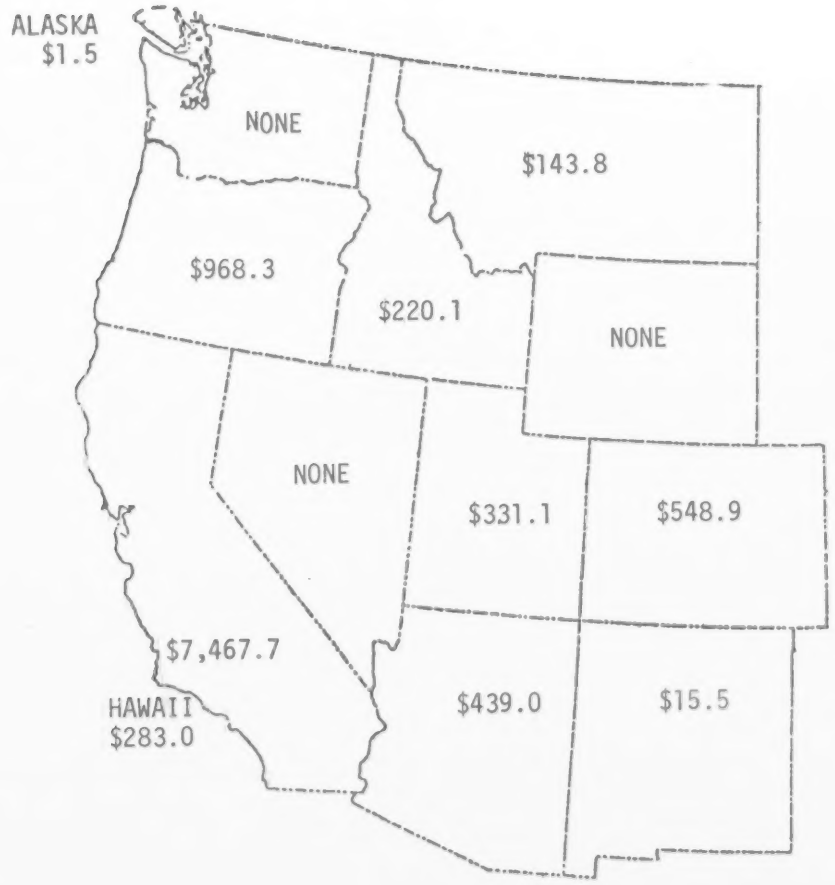
TABLE 3. PERCENT OF STATE GOVERNMENT TAX REVENUE BY TYPE OF TAX IN 1982
WESTERN STATES

States	Sales and Gross Receipts	Licenses	Individual Income	Corporation Net Income	Property	Death and Gift	Severance	Documentary and Stock Transfer	Other
Alaska	2.57%	2.14%	.06%	27.71%	5.62%	.01%	61.89%	NA	*
Arizona	55.86%	6.66%	23.65%	6.18%	7.00%	.64%	NA	NA	NA
California	44.33%	3.84%	34.23%	12.12%	3.25%	2.12%	.13%	NA	NA
Colorado	51.68%	6.27%	32.48%	5.41%	.29%	.77%	2.91%	NA	.19%
Hawaii	67.20%	1.59%	26.54%	4.05%	NA	.48%	NA	.14%	NA
Idaho	41.40%	11.61%	38.03%	7.88%	.04%	.60%	.44%	NA	NA
Montana	19.43%	8.72%	27.18%	8.43%	6.42%	1.45%	28.23%	NA	.14%
Nevada	85.53%	11.29%	NA	NA	3.18%	NA	NA	NA	NA
New Mexico	56.90%	4.95%	1.26%	4.91%	.90%	.30%	30.77%	NA	NA
Oregon	12.30%	11.29%	62.38%	8.00%	.01%	2.72%	3.25%	.06%	NA
Utah	53.98%	4.05%	34.83%	4.30%	.03%	.47%	2.34%	NA	NA
Washington	72.16%	5.64%	NA	NA	17.46%	1.59%	1.31%	1.85%	NA
Wyoming	36.76%	7.15%	NA	NA	4.73%	.30%	51.06%	NA	NA

NA - Not applicable.
* - Less than .01 percent.

STATE GOVERNMENT INDIVIDUAL INCOME TAX REVENUES IN 1982
WESTERN STATES

(Millions of Dollars)



INCOME TAX
AS A PERCENT OF
STATE TAX REVENUE

62.38% - OREGON
38.03% - IDAHO
34.83% - UTAH
34.23% - CALIFORNIA
32.48% - COLORADO
27.18% - MONTANA
26.54% - HAWAII
23.65% - ARIZONA
1.26% - NEW MEXICO
.06% - ALASKA

of state tax revenue. Wyoming receives 51.06 percent from severance taxes and Montana receives 28.23 percent of state government tax revenue from severance taxes.

Only in Oregon is the individual income tax the largest source of state government tax revenue bringing in 62.38 percent of the total. Oregon does not have a sales and gross receipts tax and collected the second lowest per capita state government tax revenue of $589.56 in 1982.

Two states depend on the sales tax for over 60 percent of the state government tax revenue. Nevada depends heavily on the sales tax, with 85.53 percent of state revenue from this one source. Hawaii derives 67.20 percent of state revenue from the sales tax.

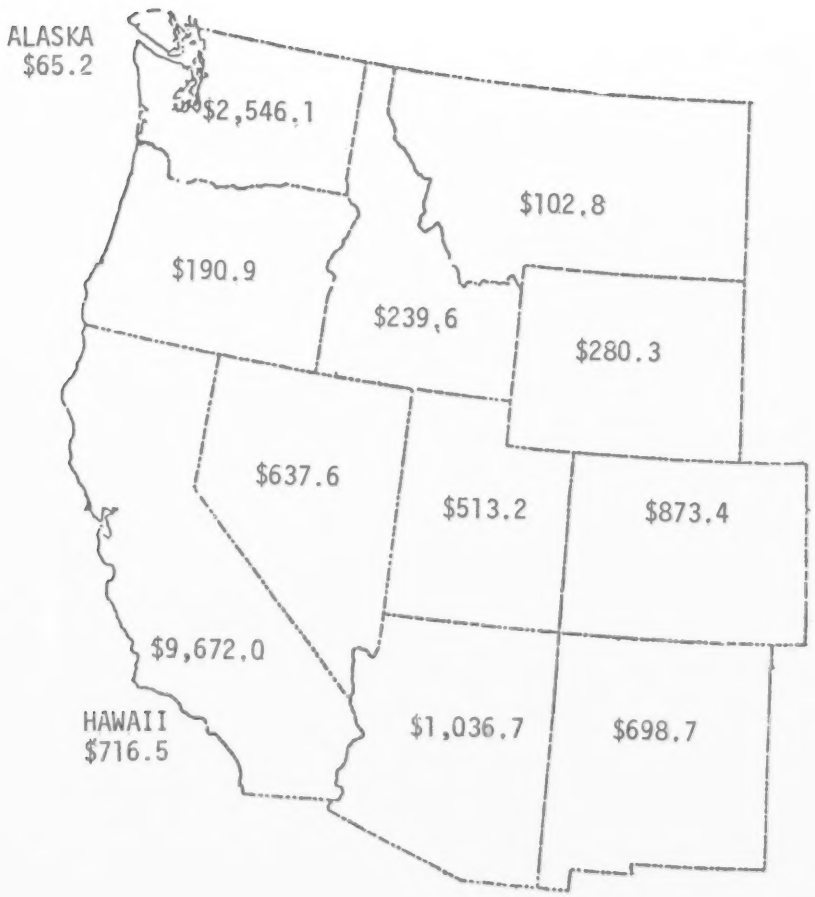
Except in Oregon, the individual income tax revenue is under 40 percent of state government tax revenue ranging from 38.03 percent in Idaho to .06 percent in Alaska. Three states --Nevada, Washington, and Wyoming-- had no individual income tax in 1982.

All of the western states collected sales taxes on motor fuels, alcoholic beverages, tobacco products, insurance, and public utilities in 1982 except Wyoming, where there was no public utility tax revenue. Of these selected sales taxes, motor fuels generated the greatest revenue. In nine of the western states, insurance was the next best source, while Arizona and Oregon found tobacco to be the second best source. The second best source in Washington and the best source in Hawaii was the public utility sales tax.

Corporation net income tax revenues were a small part of the total in 1982, accounting for 4 to 13 percent of state tax revenue except in Alaska, where corporation net income tax revenues generated

STATE GOVERNMENT SALES TAX REVENUES IN 1982
WESTERN STATES

(Millions of Dollars)



SALES TAX
AS A PERCENT OF
STATE TAX REVENUE

85.53% - NEVADA
72.16% - WASHINGTON
67.20% - HAWAII
56.90% - NEW MEXICO
55.86% - ARIZONA
53.98% - UTAH
51.68% - COLORADO
44.33% - CALIFORNIA
41.40% - IDAHO
36.76% - WYOMING
19.43% - MONTANA
12.30% - OREGON
2.57% - ALASKA

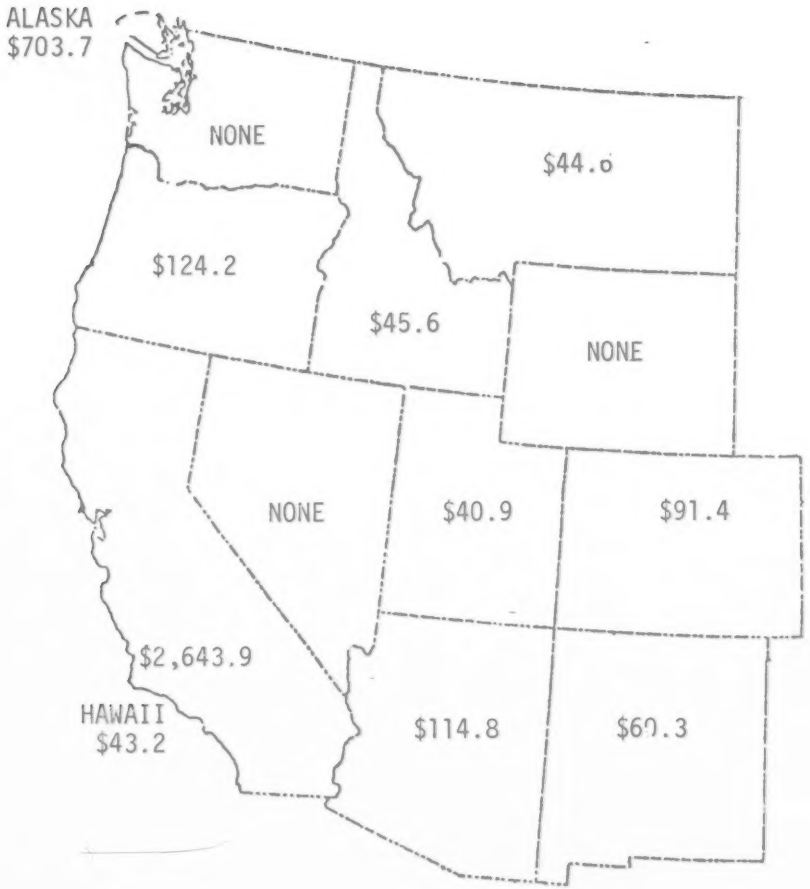
TABLE 4. SELECTED STATE GOVERNMENT SALES AND GROSS RECEIPTS TAXES IN 1982
WESTERN STATES
(Thousands of Dollars)

States	General Sales	Motor Fuels	Alcoholic Beverages	Tobacco Products	Insurance	Public Utilities
Alaska	NA	31,096	8,978	4,908	13,504	1,233
Arizona	800,921	122,343	23,341	40,766	22,000	16,463
California	7,720,805	835,281	140,597	278,317	483,860	30,967
Colorado	612,900	138,802	25,337	37,159	46,660	2,301
Hawaii	576,927	33,196	7,701	14,011	27,713	56,987
Idaho	146,206	56,805	8,164	8,240	16,915	1,753
Montana	NA	49,416	14,844	11,752	20,318	5,839
Nevada	375,973	55,704	11,776	13,525	14,869	1,852
New Mexico	533,809	86,791	15,912	14,650	21,716	4,521
Oregon	NA	91,303	10,836	47,078	34,261	2,163
Utah	387,624	83,615	8,161	11,139	20,226	2,483
Washington	1,892,066	261,403	98,666	94,254	47,182	145,657
Wyoming	228,018	38,405	2,155	5,809	5,901	NA

NA - Not applicable.

STATE GOVERNMENT CORPORATION NET INCOME TAX REVENUES IN 1982
WESTERN STATES

(Millions of Dollars)



CORPORATION NET TAX
AS A PERCENT OF
STATE TAX REVENUE

27.71% - ALASKA
12.12% - CALIFORNIA
8.43% - MONTANA
8.00% - OREGON
7.88% - IDAHO
6.18% - ARIZONA
5.41% - COLORADO
4.91% - NEW MEXICO
4.30% - UTAH
4.05% - HAWAII

27.71 percent of state tax revenue. California received the second highest percentage from this source at 12.12 percent while Hawaii had the lowest percentage at 4.05 percent. Nevada, Washington, and Wyoming have no corporation net income tax.

All of the states collect motor vehicle and hunting and fishing license tax revenue. The largest source of license tax revenue is from motor vehicles. The second largest source of revenue is from hunting and fishing licenses except in Hawaii, where public utility licenses are in second place. All of the western states except Hawaii collect motor vehicle operators licenses and alcoholic beverage taxes. All of the states except Utah collect license taxes from corporations in general. Five states --Alaska, Arizona, Colorado, Nevada, and Utah-- do not have public utility license fees. License tax revenues generate between 1 to 12 percent of state tax revenue. Hawaii receives the lowest amount and percent at 1.59 percent. The highest percent of 11.61 is in Idaho.

Severance tax revenues comprise over 25 percent of state tax revenue in four of the western states. Alaska collects 61.89 percent on production privilege, oil and gas, coal tonnage, and forestry products. Wyoming collects 51.06 percent on mineral excise, coal, and oil and gas conservation. New Mexico collects 30.77 percent on oil and gas severance, oil and gas privilege tax, oil and gas ad valorem production, natural gas processors tax, oil and gas conservation tax, and other severance taxes on copper, potash, uranium, and carbon dioxide. Montana collects 28.23 percent from coal production, oil production, resource indemnity, natural gas, metal mines tax and miscellaneous.

STATE GOVERNMENT LICENSE TAX REVENUES IN 1982
WESTERN STATES

(Millions of Dollars)

LICENSE TAX
AS A PERCENT OF
STATE TAX REVENUE

11.61% - IDAHO
11.29% - NEVADA
11.29% - OREGON
8.72% - MONTANA
7.15% - WYOMING
6.66% - ARIZONA
6.27% - COLORADO
5.64% - WASHINGTON
4.95% - NEW MEXICO
4.05% - UTAH
3.84% - CALIFORNIA
2.14% - ALASKA
1.59% - HAWAII

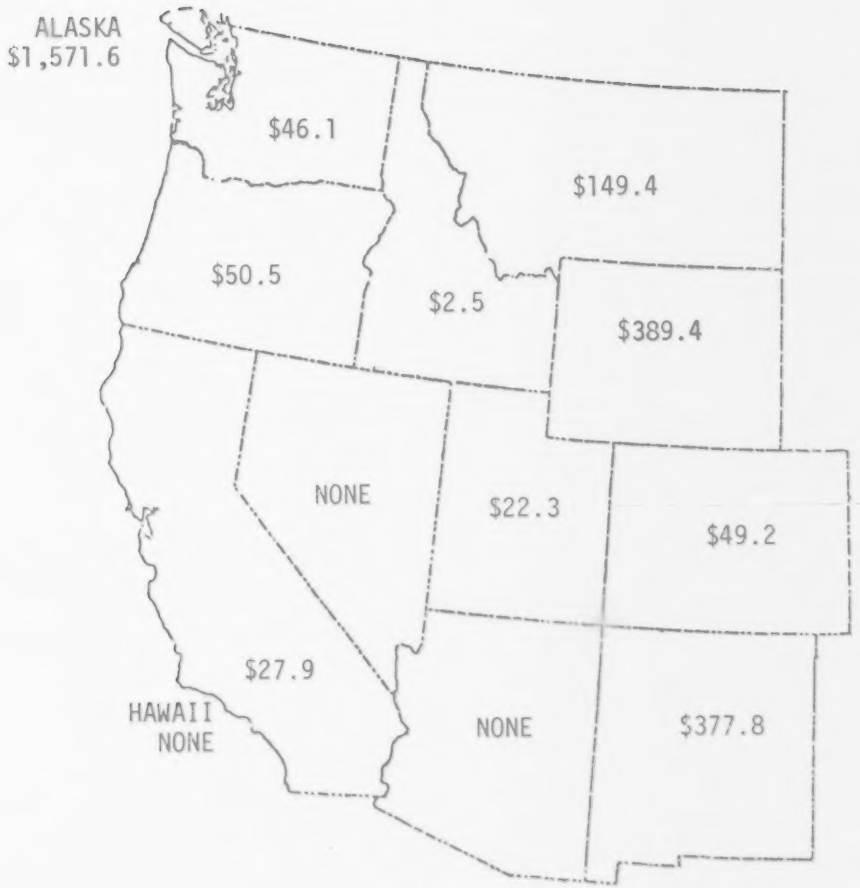
TABLE 5. SELECTED STATE GOVERNMENT LICENSE TAX REVENUE IN 1982
WESTERN STATES
(Thousands of Dollars)

States	Motor Vehicle	Motor Vehicle Operators	Corporations in General	Public Utilities	Alcoholic Beverages	Hunting and Fishing
Alaska	13,294	397	1,055	NA	1,548	8,236
Arizona	89,594	4,243	2,709	NA	1,370	6,118
California	575,969	35,303	5,646	10,789	27,169	38,531
Colorado	53,799	5,543	3,329	NA	2,197	23,193
Hawaii	8,456	NA	783	1,736	NA	134
Idaho	39,626	1,783	306	23	727	10,033
Montana	23,532	1,377	468	934	1,465	11,617
Nevada	30,644	2,139	2,503	NA	23	2,931
New Mexico	39,165	1,614	5,160	55	851	6,470
Oregon	103,736	8,129	3,130	4,218	1,413	16,719
Utah	21,041	1,977	NA	NA	229	9,320
Washington	97,600	16,736	5,995	6,422	6,629	19,789
Wyoming	37,749	296	1,792	1,214	7	12,101

NA - Not applicable.

STATE GOVERNMENT SEVERANCE TAX REVENUES IN 1982
WESTERN STATES

(Millions of Dollars)



SEVERANCE TAX
AS A PERCENT OF
STATE TAX REVENUE

61.89% - ALASKA
51.06% - WYOMING
30.77% - NEW MEXICO
28.23% - MONTANA
3.25% - OREGON
2.91% - COLORADO
2.34% - UTAH
1.31% - WASHINGTON
.44% - IDAHO
.13% - CALIFORNIA

State and Local Tax Collections in 1981

Responsibility for taxation and expenditure is divided differently between state and local governments in different western states. Revenue collection at the state level is between 47 and 60 percent, except in Alaska, where the state collects 88.44 percent, Hawaii, where the state collects 81.15 percent, and New Mexico, where the state collects 80.93 percent.

States	1981 General Revenue in Million $			State %
	Local	State	Total	of Total
Alaska	584.1	4,471.8	5,055.9	88.44
Arizona	1,605.0	2,196.2	3,801.3	57.77
California	16,448.8	24,001.8	40,450.6	59.33
Colorado	2,260.5	2,049.2	4,309.7	47.54
Hawaii	334.4	1,440.5	1,774.9	81.15
Idaho	408.5	683.0	1,091.5	62.57
Montana	554.3	672.0	1,226.3	54.79
Nevada	691.5	627.3	1,318.8	47.56
New Mexico	470.3	1,996.8	2,467.1	80.93
Oregon	2,005.0	2,395.4	4,400.3	54.43
Utah	738.2	1,139.4	1,877.6	60.68
Washington	2,500.7	3,709.5	6,210.3	59.73
Wyoming	661.6	715.1	1,376.7	51.94

Some sales taxes are collected locally in the western states which have sales taxes, except in Hawaii and Idaho, where all collections are at the state level only. In Alaska, collections are at the local level only. Property taxes are primarily local although every state except Hawaii collects a small amount at the state level. Any income taxes imposed are collected exclusively by the state. Three states --Nevada, Washington, and Wyoming-- did not impose any income taxes in 1981.

From 8 to 36 percent of state government general revenue is from federal funds. In 1981, Alaska received 8.1 percent in federal

TABLE 6. REVENUE OF STATE AND LOCAL GOVERNMENTS IN 1981
WESTERN STATES
(Millions of Dollars)

States	General Sales Taxes		Property Taxes		Income Taxes	
	Local	State	Local	State	Local	State
Alaska	44.9	...	199.9	143.2	...	902.0
Arizona	169.6	805.7	733.0	124.1	...	490.6
California	1,558.9	7,262.5	6,498.4	727.9	...	9,320.3
Colorado	369.2	529.9	1,040.4	4.5	...	541.1
Hawaii	...	548.9	197.1	...	...	387.5
Idaho	...	145.0	218.3	.3	...	236.4
Montana	...	...	390.3	23.5	...	198.9
Nevada	31.9	203.1	234.0	23.2	...	...
New Mexico	35.7	515.7	183.1	10.0	...	124.5
Oregon	...	...	1,182.9	.1	...	1,160.6
Utah	77.5	349.5	373.1	.1	...	335.6
Washington	166.1	1,716.3	716.6	526.6	...	...
Wyoming	37.2	197.1	287.2	26.0	...	...

TABLE 7. STATE GOVERNMENT GENERAL REVENUE BY SOURCE IN 1981
WESTERN STATES
(Thousands of Dollars)

States	Total Dollars	Federal Revenue Dollars	%	Local Govt. Dollars	%	State Taxes Dollars	%	Charges & Misc. Dollars	%
Alaska	4,867,003	393,984	8.1	1,214	...	2,316,823	47.6	2,154,982	44.3
Arizona	2,775,904	558,857	20.1	20,841	0.8	1,785,775	64.3	410,431	14.8
California	32,623,137	8,411,908	25.8	209,424	0.6	20,504,787	62.9	3,497,018	10.7
Colorado	2,903,689	843,797	29.1	10,700	0.4	1,445,777	49.8	603,415	20.8
Hawaii	1,831,113	385,099	21.0	5,523	0.3	1,088,330	59.4	352,161	19.2
Idaho	988,798	303,818	30.7	1,945	0.2	536,681	54.3	146,354	14.8
Montana	1,053,479	376,222	35.7	5,290	0.5	465,010	44.1	206,957	19.6
Nevada	889,033	257,355	28.9	4,361	0.5	515,303	58.0	112,014	12.6
New Mexico	2,476,915	465,151	18.8	15,007	0.6	1,179,280	47.6	817,477	33.0
Oregon	3,338,763	919,509	27.5	23,882	0.7	1,608,423	48.2	786,949	23.6
Utah	1,679,844	531,275	31.6	9,144	0.5	849,148	50.5	290,277	17.3
Washington	5,347,649	1,541,071	28.8	97,057	1.8	3,125,815	58.5	583,706	10.9
Wyoming	1,010,127	293,494	29.1	1,555	0.2	469,058	46.4	246,020	24.4

revenue and Montana received 35.7 percent. The other states received from 20 to 32 percent, except in New Mexico, where 18.8 percent was received.

Local government contributions to state general revenue were under one percent except in Washington, which received 1.8 percent from local governments. Alaska was the only state with no state general revenue from local governments.

State taxes generated between 44 to 65 percent of state government general revenue. Arizona received 64.3 percent or $1.8 billion from state taxes. At the lowest end was Montana, which received 44.1 percent or $465 million from state taxes.

The remaining 10 to 24 percent of state government general revenue was from charges and miscellaneous with two exceptions. In Alaska over 44 percent was in this category and in New Mexico 33 percent was from charges and miscellaneous.

Revenues and Expenditures in 1981

Alaska's per capita collection of $11,128 in 1981 in state government revenue was the highest among the western states. However, a large amount of this was actually severance tax collections. The second highest amount was in New Mexico --$1,532. Of this, $510 was paid in sales and gross receipts taxes, $54 was paid in individual income taxes, $41 was paid in corporation net income taxes, $27 in motor vehicle taxes, $8 in property taxes, and $627 in charges and miscellaneous, a portion of which was severance taxes not paid by the individual. At the state level only, New Mexico received $115.40 in taxes and $45.52 from the federal

TABLE 8. PER CAPITA AMOUNTS OF FINANCIAL ITEMS FOR STATE GOVERNMENTS IN 1981
WESTERN STATES

States	General Revenue Own Source	Sales and Gross Receipts		Individual Income		Corporation Net Income		Motor Vehicle Taxes		Property		Death and Gift		Charges and Misc.	
	$	$	%	$	%	$	%	$	%	$	%	$	%	$	%
Alaska	11,128	133	1%	18	*	2,227	20%	27	*	356	3%	1	*	5,363	48%
Arizona	808	391	48%	134	17%	47	6%	24	3%	46	6%	4	*	151	19%
California	1,014	389	38%	278	27%	115	11%	19	2%	31	3%	22	2%	148	15%
Colorado	709	260	37%	151	21%	36	5%	18	3%	2	*	3	*	209	29%
Hawaii	1,493	703	47%	347	23%	55	4%	9	*	...	...	5	*	365	24%
Idaho	724	243	34%	197	27%	54	7%	39	5%	**	*	5	*	155	21%
Montana	854	121	14%	186	22%	67	8%	28	3%	30	4%	8	*	263	31%
Nevada	784	532	68%	...	...	...	...	31	*	29	*	...	...	140	18%
New Mexico	1,532	510	33%	54	4%	41	3%	27	2%	8	*	2	*	627	41%
Oregon	910	71	8%	382	42%	59	6%	40	4%	**	*	13	1%	299	33%
Utah	780	315	40%	202	26%	28	4%	13	2%	**	*	1	*	199	26%
Washington	898	560	62%	...	...	...	...	20	2%	127	14%	13	1%	141	16%
Wyoming	1,523	533	35%	...	...	...	...	72	5%	55	4%	6	*	524	34%
United States	829	322	39%	181	22%	62	7%	23	3%	13	2%	9	1%	166	20%

Note: Total includes items not listed separately.
* - Less than 1 percent. ** - Less than 1 dollar.

TABLE 9. STATE GENERAL REVENUE PER $1,000 OF PERSONAL INCOME IN 1981
WESTERN STATES

States	Grand Total*	Revenue from Federal Government	Total Taxes*	Sales or Gross Receipts Taxes	Individual Income Taxes	Charges and Miscellaneous
Alaska	$947.63	$76.71	$451.09	...	$1.40	$419.58
Arizona	$115.90	$23.33	$74.56	$33.64	$15.20	$17.14
California	$125.69	$32.41	$79.00	$27.98	$25.39	$13.47
Colorado	$100.03	$29.07	$49.80	$18.25	$15.08	$20.79
Hawaii	$187.33	$39.40	$111.34	$56.15	$34.25	$36.03
Idaho	$129.66	$39.84	$70.38	$19.01	$24.33	$19.19
Montana	$156.49	$55.89	$69.07	...	$21.69	$30.74
Nevada	$103.41	$29.94	$59.94	$23.63	...	$13.03
New Mexico	$242.38	$45.52	$115.40	$50.46	$6.94	$80.00
Oregon	$135.79	$37.40	$65.42	...	$40.88	$32.01
Utah	$119.95	$47.42	$75.80	$31.20	$26.33	$25.91
Washington	$125.31	$36.11	$73.24	$40.21	...	$13.68
Wyoming	$196.07	$56.97	$91.04	$38.26	...	$47.75
50-State Average	$119.78	$31.49	$69.48	$21.53	$18.97	$17.46

* - Includes amounts for categories not shown separately.

TABLE 10. STATE GENERAL EXPENDITURE PER $1,000 OF PERSONAL INCOME IN 1981
WESTERN STATES

States	Grand Total*	Total Education*	Intergovernmental Education	State Institutions of Higher Education	Public Welfare	Highways
Alaska	$471.95	$130.50	$56.84	$40.23	$30.50	$41.20
Arizona	$118.62	$56.97	$32.25	$22.14	$7.52	$15.06
California	$113.02	$51.73	$35.25	$14.27	$36.55	$6.23
Colorado	$102.69	$47.27	$23.85	$21.58	$17.24	$12.00
Hawaii	$173.95	$61.59	...	$23.18	$28.18	$10.00
Idaho	$131.24	$56.80	$33.52	$20.73	$15.11	$18.42
Montana	$138.00	$45.73	$26.44	$16.25	$17.36	$28.69
Nevada	$107.82	$44.70	$29.56	$13.59	$11.58	$18.13
New Mexico	$189.48	$86.89	$48.46	$33.73	$18.80	$22.08
Oregon	$129.91	$43.68	$24.49	$16.97	$19.81	$17.08
Utah	$151.36	$72.20	$37,82	$31.55	$20.50	$19.80
Washington	$136.71	$62.95	$33.45	$22.42	$22.23	$15.53
Wyoming	$167.93	$49.73	$30.42	$17.22	$9.35	$34.99
50-State Average	$117.69	$44.97	$26.57	$14.61	$23.88	$11.80

* - Includes amounts for categories not shown separately.

government per $1,000 of personal income earned in the state.

New Mexico's state general expenditure per $1,000 of personal income was $189.48, of which $86.89 went for education, $18.80 for public welfare, and $22.08 for highways.

A Colorado resident paid $709, the lowest per capita payment for state government tax collections in 1981. Of this, $260 was for sales and gross receipts taxes, $151 for individual income taxes, $36 for corporation net income taxes, $18 for motor vehicle taxes, $2 for property taxes, and $209 for charges and miscellaneous. At the state level only, Colorado received $49.80 in taxes and $29.07 from the federal government per $1,000 of personal income earned in the state.

Colorado's state general expenditure per $1,000 of personal income was $102.69, of which $47.27 went for education, $17.24 for public welfare, and $12.00 for highways. Tables 8, 9, and 10 present this data for all of the states in the western region.

From 1980 to 1981, revenues from sales and gross receipts taxes increased from .1 percent in Montana to 23.8 percent in New Mexico. In Alaska they declined by 2 percent and in Colorado by .9 percent. Both own source general revenue and federal funds increased in all the western states from 1980 to 1981, except in Oregon, which experienced a .8 percent decrease in federal funds. Individual income tax revenues increased, except in Alaska, where the decline was 92.9 percent, and in Colorado, with a 5.1 percent decrease. Corporation net income taxes increased except in Colorado and Oregon from 1980 to 1981.

TABLE 11. PERCENT CHANGE IN FINANCIAL ITEMS FOR STATE GOVERNMENTS FROM 1980 To 1981
WESTERN STATES

States	Total General Revenue	Federal Funds	Own Source General Revenue	Sales and Gross Receipts	Individual Income	Corporation Net Income	Motor Vehicle Licenses	Charges and Misc.
Alaska	61.6%	4.1%	70.0%	-2.0%	-92.9%	58.3%	-0.7%	80.6%
Arizona	8.2%	3.3%	9.3%	0.6%	26.7%	7.4%	13.1%	26.6%
California	10.2%	18.8%	7.4%	7.1%	1.9%	8.9%	7.7%	17.4%
Colorado	4.0%	9.9%	1.9%	-0.9%	-5.1%	-6.5%	6.9%	16.1%
Hawaii	11.9%	4.5%	14.0%	10.4%	7.5%	4.9%	-0.1%	33.0%
Idaho	7.8%	7.8%	7.9%	2.6%	16.6%	19.4%	3.4%	2.8%
Montana	11.4%	3.3%	16.8%	0.1%	8.2%	16.0%	4.8%	48.5%
Nevada	7.2%	10.2%	6.7%	8.7%	...	...	7.2%	0.7%
New Mexico	24.8%	10.3%	29.2%	23.8%	51.4%	15.7%	2.0%	31.9%
Oregon	8.4%	-0.8%	12.6%	8.6%	15.8%	-12.4%	2.5%	17.3%
Utah	7.8%	6.9%	8.3%	5.9%	11.2%	0.7%	6.6%	9.1%
Washington	10.7%	33.7%	3.2%	6.4%	...	...	6.8%	-13.7%
Wyoming	26.0%	20.5%	28.7%	16.3%	...	...	8.4%	46.7%
United States	10.5%	9.7%	10.7%	7.2%	10.3%	6.2%	6.7%	16.9%

Five Year Trends from 1977 through 1981

Tax revenues of state and local government from 1977 through 1981 increased when measured by total tax collections per capita. The United States average increased by 32.71 percent from $813 in 1977 to $1,079 in 1981. Alaska had the greatest percent change of 178.61 from $2,296 to $6,397 in per capita tax collections. California had a percent change of 15.70 from $1,089 to $1,260, the lowest per capita change from 1977 through 1981. New Mexico had the lowest per capita tax collection of $625 in 1977. In 1981, the lowest collection had risen to $808 and was in Idaho. Alaska collected the highest per capita tax in both 1977 and 1981.

General sales tax, income tax, and property tax also increased from 1977 through 1981, except in Alaska and California, where the property tax declined. Wyoming's sales tax revenues changed by an increase of 123.78 percent between 1977 and 1981. During this period, Idaho showed the lowest sales tax revenue increase of 39.55 percent. Amounts collected in 1981 ranged from a low of $44 million in Alaska to a high of $8.8 billion in California.

Increased income tax revenues from 1977 through 1981 ranged from 28.98 percent in Colorado to 266.51 percent in Alaska. In dollars, New Mexico collected the lowest of $124.5 million while California collected the highest of $9.3 billion.

Property tax revenues showed a wide range of change from 1977 through 1981. The change in Alaska was a decline of 36.02 percent with collections of $343.1 million in 1981. The change at the high level was in Wyoming with a 91.79 percent increase and collections of $313.2 million in 1981.

TABLE 12. TOTAL STATE AND LOCAL TAX COLLECTIONS PER CAPITA
WESTERN STATES

States	1977	1978	1979	1980	1981
Alaska	$2,296	$1,871	$2,546	$4,189	$6,397
Arizona	$827	$907	$1,004	$1,007	$1,012
California	$1,089	$1,227	$1,058	$1,172	$1,260
Colorado	$824	$882	$972	$990	$1,024
Hawaii	$974	$1,059	$1,194	$1,278	$1,393
Idaho	$639	$701	$767	$754	$808
Montana	$766	$817	$900	$1,000	$1,101
Nevada	$892	$1,004	$1,126	$972	$1,102
New Mexico	$625	$763	$830	$879	$1,100
Oregon	$793	$872	$956	$979	$1,106
Utah	$652	$728	$805	$840	$912
Washington	$821	$929	$992	$989	$1,037
Wyoming	$988	$1,156	$1,291	$1,399	$1,704
United States Average	$813	$888	$933	$986	$1,079

TABLE 13. GENERAL SALES TAX REVENUES OF STATE AND LOCAL GOVERNMENT
WESTERN STATES
(Millions of Dollars)

States	1977	1978	1979	1980	1981
Alaska	31.4	34.8	35.9	38.8	44.9
Arizona	606.3	693.8	844.3	976.9	975.3
California	5,243.6	6,020.5	6,899.4	8,166.5	8,821.4
Colorado	563.9	663.6	797.1	873.6	899.0
Hawaii	341.0	367.3	430.5	498.3	548.9
Idaho	103.9	118.9	129.9	137.1	145.0
Montana	...	...	...	...	...
Nevada	134.4	166.2	204.1	211.8	235.0
New Mexico	267.0	342.4	388.1	431.3	551.4
Oregon	...	...	...	...	...
Utah	266.9	314.3	355.0	395.5	427.0
Washington	1,284.9	1,511.9	1,674.6	1,784.7	1,882.4
Wyoming	104.7	132.5	164.4	191.6	234.3

TABLE 14. INCOME TAX REVENUES OF STATE AND LOCAL GOVERNMENT
WESTERN STATES
(Millions of Dollars)

States	1977	1978	1979	1980	1981
Alaska	246.1	179.3	373.0	665.8	902.0
Arizona	242.4	286.7	359.6	405.3	490.6
California	5,262.5	6,708.8	7,132.8	8,970.9	9,320.3
Colorado	419.5	461.5	569.4	571.9	541.1
Hawaii	230.6	256.2	304.4	361.7	387.5
Idaho	143.5	171.4	182.6	201.7	236.4
Montana	136.8	152.9	177.7	180.6	198.9
Nevada	...	...	...	...	...
New Mexico	56.1	83.6	109.1	93.1	124.5
Oregon	653.0	811.7	973.0	1,045.4	1,160.6
Utah	183.1	218.3	258.8	305.7	335.6
Washington	...	...	...	...	...
Wyoming	...	...	...	...	...

TABLE 15. PROPERTY TAX REVENUES OF STATE AND LOCAL GOVERNMENT
WESTERN STATES
(Millions of Dollars)

States	1977	1978	1979	1980	1981
Alaska	536.3	325.5	335.4	360.0	343.1
Arizona	727.9	801.7	865.0	956.0	857.1
California	10,025.1	11,011.4	6,043.5	6,477.5	7,226.3
Colorado	822.8	841.5	904.7	951.6	1,044.9
Hawaii	149.2	155.4	174.3	186.2	197.1
Idaho	175.4	188.6	221.6	213.8	218.5
Montana	275.4	308.6	320.9	358.3	413.8
Nevada	180.8	207.9	249.1	204.5	257.2
New Mexico	135.0	149.1	162.6	184.8	193.1
Oregon	838.8	885.6	923.6	1,006.1	1,183.0
Utah	241.7	268.6	315.1	342.8	373.2
Washington	934.5	1,081.0	1,209.5	1,199.5	1,243.2
Wyoming	163.3	197.5	230.9	259.8	313.2

TABLE 16. TOTAL STATE AND LOCAL TAX COLLECTIONS PER $1,000 OF PERSONAL INCOME
WESTERN STATES

States	1977	1978	1979	1980	1981
Alaska	$234.82	$174.89	$234.14	$367.83	$500.20
Arizona	$144.15	$142.81	$141.71	$132.68	$114.86
California	$154.93	$157.99	$120.63	$121.68	$114.92
Colorado	$129.72	$125.55	$124.51	$113.08	$101.97
Hawaii	$140.70	$140.25	$146.41	$147.54	$137.51
Idaho	$116.98	$120.01	$112.81	$103.92	$100.08
Montana	$136.04	$137.58	$133.53	$130.26	$128.68
Nevada	$129.30	$130.99	$126.94	$105.17	$102.63
New Mexico	$119.55	$132.64	$129.19	$121.82	$140.20
Oregon	$129.25	$128.44	$122.11	$114.07	$118.48
Utah	$125.87	$126.65	$128.18	$124.70	$118.89
Washington	$122.27	$127.34	$121.44	$108.75	$100.45
Wyoming	$154.76	$159.46	$158.86	$147.61	$155.28
United States	$128.05	$127.53	$120.29	$115.74	$113.05

TABLE 17. TOTAL GENERAL REVENUE INCLUDING FEDERAL FUNDS
WESTERN STATES
(Millions of Dollars)

States	1977	1978	1979	1980	1981
Alaska	1,518.1	1,532.1	2,012.5	3,567.2	5,521.0
Arizona	2,896.6	3,327.7	3,901.2	4,365.9	4,657.2
California	36,321.7	41,559.9	39,502.4	46,012.3	51,561.3
Colorado	3,631.2	4,021.3	4,596.4	5,066.1	5,361.4
Hawaii	1,573.3	1,673.9	1,833.9	2,049.1	2,253.6
Idaho	982.1	1,121.5	1,254.9	1,351.6	1,460.0
Montana	1,076.2	1,223.6	1,305.2	1,500.8	1,669.4
Nevada	946.5	1,145.4	1,310.1	1,449.2	1,618.7
New Mexico	1,560.1	1,878.6	2,517.0	2,514.3	3,068.0
Oregon	3,489.4	4,012.9	4,514.7	5,113.1	5,651.9
Utah	1,511.1	1,756.7	1,959.2	2,284.5	2,489.6
Washington	5,376.1	5,918.9	6,893.8	7,426.6	8,114.3
Wyoming	753.9	903.8	1,073.8	1,277.5	1,712.7
United States	285,796.5	315,960.0	343,278.4	382,321.6	423,403.7

TABLE 18. TOTAL GENERAL REVENUE FROM OWN SOURCES
WESTERN STATES
(Millions of Dollars)

States	1977	1978	1979	1980	1981
Alaska	1,206.2	1,186.1	1,662.2	3,136.3	5,055.9
Arizona	2,372.9	2,668.5	3,186.1	3,558.9	3,801.3
California	28,898.4	33,248.1	31,286.1	36,576.6	40,450.6
Colorado	2,863.7	3,161.7	3,696.8	4,065.5	4,309.7
Hawaii	1,114.5	1,195.8	1,376.0	1,572.3	1,774.9
Idaho	711.7	832.4	949.4	1,015.7	1,091.5
Montana	765.8	857.7	943.8	1,066.9	1,226.3
Nevada	771.5	898.2	1,072.1	1,147.1	1,318.8
New Mexico	1,132.8	1,369.6	1,611.3	1,960.1	2,467.1
Oregon	2,598.3	2,959.0	3,424.2	3,845.4	4,400.3
Utah	1,095.3	1,290.1	1,482.2	1,703.5	1,877.6
Washington	4,102.2	4,733.1	5,374.3	5,903.8	6,210.3
Wyoming	556.1	678.3	832.1	1,001.7	1,376.7
United States	223,221.3	246,367.6	268,114.6	299,293.0	333,109.3

Total state and local tax collections per $1,000 of personal income declined in the United States by 11.71 percent from an average of $128.05 in 1977 to $113.05 in 1981. Three of the western states showed an increase in total state and local taxes from 1977 through 1981. In Alaska the change was from $234.82 to $500.20. In New Mexico the change was from $119.55 to $140.20. In Wyoming the change was from $154.76 to $155.28. It should be noted that the best source of revenue in these states was the severance tax. Idaho had the lowest collections of $116.98 in 1977 and $100.08 in 1981. Alaska had the highest collections of $234.82 in 1977 and $500.20 in 1981.

	Property Taxes		General Sales Taxes		Income Taxes	
States	1981 $ in Millions	% Change 1977/1981	1981 $ in Millions	% Change 1977/1981	1981 $ in Millions	% Change 1977/1981
Alaska	343.1	-36.02	44.9	42.99	902.0	266.51
Arizona	857.1	17.74	975.3	60.86	490.6	102.39
California	7,226.3	-27.91	8,821.4	68.23	9,320.3	77.10
Colorado	1,044.9	26.99	899.0	59.42	541.1	28.98
Hawaii	197.1	32.10	548.9	60.96	387.5	68.03
Idaho	218.5	24.57	145.0	39.55	236.4	64.73
Montana	413.8	50.25	...	...	198.4	45.39
Nevada	257.2	42.25	235.0	74.85	...	...
New Mexico	193.1	43.03	551.4	106.51	124.5	121.92
Oregon	1,183.0	41.03	...	...	1,160.6	77.73
Utah	373.2	54.40	427.0	59.98	335.6	83.28
Washington	1,243.3	33.03	1,882.4	46.50	...	...
Wyoming	313.2	91.79	234.3	123.78	..	...

Conclusion

While revenues have increased from 1977 through 1982, the increases have not kept pace with inflation and the greater need for social services brought about by the recession. Deciding on the balance between increases in taxation and decreases in expenditures for education, public welfare, and highways is difficult.

In 1981, the highest state and local revenues were derived from various sources in the western region states. Property taxes generated the highest revenues in Colorado, Montana, Nevada, Oregon, and Wyoming. General sales taxes generated the highest revenues in Arizona, Hawaii, New Mexico, Utah, and Washington. Income taxes generated the highest revenues in Alaska, California, and Idaho.

In 1982, at the state level only, the highest revenues came from sales taxes, except in Alaska, New Mexico, and Wyoming, where the severance tax generated the highest revenues, and in Oregon, where the income tax led.

Six states had an increase in state government tax revenue of over 10 percent from 1981 to 1982. Wyoming's state government tax revenue increased by 62.6 percent; the mineral excise severance tax increased on January 1, 1981, and the collection cycle changed from annual to quarterly in 1982. Nevada's revenue increased by 44.7 percent due to raises in various tax rates and conversion of the county-city relief tax to a state tax. Colorado, Montana, Utah, and Washington had revenue increases between 12 and 16 percent in widespread revenue categories, except in Montana, where over $31 million is from an increase in the oil production severance tax.

Dependency on sales taxes as a major revenue source has meant increases in tax rates on sales and gross receipts, cigarettes, and motor fuels. As long as consumer spending does not decline, these increases will generate higher revenues.

Adding to the complexity of the problem is the need to estimate federal funding, which may be a quarter of state revenue. In

addition, in most of the states, about half of the general revenue is collected and spent at the local level.

Changes in collection policies and improved cash management have provided some relief in conjunction with raising taxes, cutting budgets, and reducing the size of the state work force.

- This report was prepared by Cheryl Peck, a research associate with The Council of State Governments.

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